101st Congress
2d Session

HOUSE OF REPRESENTATIVES

Report
101-916

FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990

CONFERENCE REPORT

TO ACCOMPANY

S. 2830

October 22, 1990.—Ordered to be printed

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Mr. de la Garza, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany S. 2830]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2830), to extend and revise agricultural price support and related programs, to provide for agricultural export, resource conservation, farm credit, and agricultural research and related programs, to ensure consumers an abundance of food and fiber at reasonable prices, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment, insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) Short Title.—This Act may be cited as the "Food, Agriculture, Conservation, and Trade Act of 1990".

(b) Table of Contents.—The table of contents is as follows:

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Sec. 102. Milk manufacturing margin adjustment.
Sec. 103. Minnesota-Wisconsin price series reform.
Sec. 104. Hearings on Federal milk marketing orders.
Sec. 105. Report of dairy product purchases.
Sec. 106. Application of support price for milk.
Sec. 107. Application of amendments.
Sec. 108. Adjustments for seasonal production; hearings on amendments; determination of milk prices.
Sec. 109. Transfer of dairy products to the military and veterans hospitals.

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Sec. 405. Calculation of refunds of advance established price payments by producers of the 1988 or 1989 crops of feed barley.

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TITLE I—DAIRY

SEC. 101. MILK PRICE SUPPORT AND MILK INVENTORY MANAGEMENT PROGRAM FOR CALENDAR YEARS 1991 THROUGH 1995.

(a) IN GENERAL.—Effective January 1, 1991, the Agricultural Act of 1949 is amended by inserting after section 203 (7 U.S.C. 1446d) the following new section:

"SEC. 204. MILK PRICE SUPPORT AND MILK INVENTORY MANAGEMENT PROGRAM FOR CALENDAR YEARS 1991 THROUGH 1995.

"Notwithstanding any other provision of law:

"(a) IN GENERAL.—During the period beginning on January 1, 1991, and ending on December 31, 1995, the price of milk shall be supported as provided in this section.

"(b) RATE.—During the period beginning on January 1, 1991, and ending on December 31, 1995, the price of milk shall be supported at a rate not less than $10.10 per hundredweight for milk containing 3.67 percent milkfat.

"(c) PURCHASES.—

"(1) IN GENERAL.—The price of milk shall be supported through the purchase of milk and the products of milk.

"(2) CCC BID PRICES.—The Commodity Credit Corporation support purchase prices under this section for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Corporation shall be the same for all of that product sold by persons offering to sell the product to the Corporation. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price not less than the rate of price support for milk in effect during a 12-month period under this subsection.

"(3) BUTTER AND NONFAT DRY MILK.—

"(A) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

"(B) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

"(d) SUPPORT RATE ADJUSTMENTS.—

"(1) REDUCTIONS.—

"(A) IN GENERAL.—Effective January 1 of each of the calendar years 1991 through 1995, if the level of purchases of

milk and the products of milk by the Commodity Credit Corporation under this section (less sales under section 407 for unrestricted use), as estimated by the Secretary by November 20 of the preceding calendar year, will exceed 5 billion pounds (milk equivalent, total milk solids basis), the Secretary shall decrease by an amount per hundredweight of at least $0.25 but not more than $0.50 the rate of price support for milk in effect for the calendar year.

"(B) PRIOR NOTIFICATION.—The Secretary shall, by November 20 of the preceding calendar year, notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of any proposed decrease in price support under this paragraph.

"(2) INCREASES.—

"(A) IN GENERAL.—Effective January 1 of each of the calendar years 1991 through 1995, if the level of purchases of milk and the products of milk by the Commodity Credit Corporation under this section (less sales under section 407 for unrestricted use), as estimated by the Secretary by November 20 of the preceding calendar year, will not exceed 3.5 billion pounds (milk equivalent, total milk solids basis), the Secretary shall increase by an amount per hundredweight of at least $0.25 the rate of price support for milk in effect for the calendar year.

"(B) PRIOR NOTIFICATION.—The Secretary shall, by November 20 of the preceding calendar year, notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of any proposed increase in price support under this paragraph.

"(3) NO ADJUSTMENTS.—If for any of the calendar years 1992 through 1995, the level of purchases of milk and the products of milk by the Commodity Credit Corporation under this section (less sales under section 407 for unrestricted use), as estimated by the Secretary by November 20 of the preceding calendar year, will be less than 5 billion pounds (milk equivalent, total milk solids basis), but more than 3.5 billion pounds (milk equivalent, total milk solids basis), the Secretary shall not decrease the rate of price support for milk in effect for the calendar year.

"(4) MINIMUM PRICE.—Notwithstanding any other provision of this section, in no event shall the price of milk be supported at less than $10.10 per hundredweight.

"(5) ADMINISTRATION.—

"(A) MILK EQUIVALENT, TOTAL MILK SOLIDS BASIS.—As used in this section, the term 'milk equivalent, total milk solids basis', of milk and the products of milk purchased by the Commodity Credit Corporation, shall be equal to the weighted-average of the milk equivalent (as computed on a milkfat basis and on a milk solids nonfat basis) of such products, with weighting factors equal to not more than 40 percent for the milk equivalent, milkfat basis, and not more than 70 percent for the milk equivalent, solids nonfat basis. The weighting factors shall total 100 percent.

"(B) Level of purchases.—In estimating the level of purchases of milk and the products of milk under this section, the Secretary shall deduct the amount, if any, by which the level of imports into the United States of milk and the products of milk during the most recent calendar year exceeds the annual average level of imports into the United States of milk and the products of milk during the period January 1, 1986, through December 31, 1990 (milk equivalent, total milk solids basis).

"(e) Report on Milk Inventory Management Program.—

"(1) In general.—Not later than August 1, 1991, the Secretary shall prepare and submit a report and recommendations on various milk inventory management programs to the Committee on Agriculture of the House of Representatives and Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(2) Solicitation of proposals.—Within 60 days after the date of enactment of this section, the Secretary shall publish in the Federal Register a notice to solicit proposals concerning a milk inventory management program.

"(3) Required proposals.—In carrying out this subsection, the Secretary shall study, among other proposals—

"(A) an alternative classification of milk contained in section 8c(5) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)), as amended by the Agricultural Marketing Agreement Act of 1937;

"(B) a program to support the income of milk producers through a system of established prices and deficiency payments; and

"(C) other such programs submitted to the Secretary under paragraph (2) as the Secretary may determine appropriate after consultation with the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(4) Prohibited programs.—In the study required under paragraph (3), the Secretary shall not consider any milk inventory management program that includes any milk production termination program that is similar to the program established under section 201(d)(3), or support price reductions below the levels established under this section.

"(5) Criteria for evaluation.—The Secretary shall evaluate the proposals for a milk inventory management program based on—

"(A) the ability of the program to limit Government purchases of milk products to 6,000,000,000 pounds (milk equivalent, total milk solids basis) in a calendar year;

"(B) the speed and effectiveness of reducing excess milk production;

"(C) the effectiveness in sustaining reduced milk production for at least a 5-year period with and without the continuation of the program;

"(D) the regional impact on milk prices, producer revenue, and milk supplies;

"(E) the impact on national producer income and Government expenditures;

"(F) the impact on the rural economy and maintaining family farms;

"(G) the impact on the availability of wholesome dairy products for domestic and foreign nutrition and food assistance programs;

"(H) technological innovations;

"(I) the effectiveness in reducing butter fat production and increasing protein content in milk;

"(J) the impact of temporary increases and decreases of milk production;

"(K) the impact on the United States livestock industry; and

"(L) all other issues the Secretary considers appropriate.

"(6) NOTICE AND COMMENT.—The Secretary shall provide for public notice and comment on the milk inventory programs studied by the Secretary under this subsection no later than June 1, 1991.

"(f) NOTIFICATION OF CONGRESS CONCERNING ESTIMATED PURCHASES.—On August 1 and by November 20 of each of the calendar years 1991 through 1995, the Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate regarding the value and volume of dairy product purchases on a milk equivalent, total milk solids basis, the Secretary estimates that the Corporation will make during the upcoming calendar year.".

"(g) EXCESS PURCHASES.—

"(1) IN GENERAL.—In order to offset any cost to the Commodity Credit Corporation associated with the purchase of milk and the products of milk in excess of 7,000,000,000 pounds (milk equivalent, total milk solids basis), during any of the calendar years 1991 through 1994, the Secretary shall, if necessary, provide for a reduction to be made in the price received by producers for all milk produced in the United States and marketed by producers for commercial use.

"(2) CALCULATION.—If on November 20 of each of the calendar years 1991 through 1994, the Secretary estimates that the level of Commodity Credit Corporation purchases of milk and the products of milk will exceed 7,000,000,000 pounds (milk equivalent, total milk solids basis), the amount of reduction in the price received by producers shall be an amount per hundredweight calculated by dividing—

"(A) the cost of the purchases in excess of 7,000,000,000 pounds, milk equivalent, total milk solids basis; by

"(B) the total quantity of hundredweights of milk the Secretary estimates will be produced and marketed in the United States for commercial use in that calendar year.

"(3) ADJUSTMENTS.—The Secretary shall adjust any such assessment in future years, or refund any portion of such assessments, as needed, to carry out the purposes of this subsection.

"(h) USE OF COMMODITY CREDIT CORPORATION.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this section.

"(i) Period.—Notwithstanding any other provision of law, this section shall be effective only during the period beginning on January 1, 1991, and ending on December 31, 1995.".

(b) Conforming Provision.—Section 553 of title 5, United States Code, shall not apply with respect to the implementation of section 204 of the Agricultural Act of 1949 (as added by subsection (a) of this section) by the Secretary of Agriculture, including determinations made regarding—

(1) the level of price support for milk; and

(2) any reduction in the prices paid to producers of milk.

SEC. 102. MILK MANUFACTURING MARKETING ADJUSTMENT.

(a) In General.—Effective beginning on the date that is 12 months after the date of enactment of this Act, no State shall provide for (and no person shall collect, directly or indirectly) a greater allowance for the processing of milk (hereafter referred to as a 'make allowance') than is permitted under a Federal program to establish a Grade A price for manufacturing butter, nonfat dry milk, or cheese.

(b) Liability for Penalties.—

(1) In general.—If the Secretary of Agriculture determines that—

(A) based on a request by a producer supported by evidence, the make allowance collected by a person is in excess of the amount that is permitted under subsection (a); or

(B) a person has failed to comply with any requirement of this section or a regulation issued under this section,

the person shall be liable for penalties as determined by the Commodity Credit Corporation in accordance with this subsection.

(2) Amount of penalties.—Such penalties shall be equal to the product obtained by multiplying—

(A) twice the permitted make allowance that could be charged as provided under subsection (a); by

(B) the quantity of milk with respect to which the person was determined by the Secretary to have collected a make allowance in excess of the permitted make allowance.

(c) Regulations.—The Secretary may issue such regulations as are necessary to carry out this section.

(d) Investigations.—

(1) In general.—The Secretary may make such investigations as the Secretary considers necessary for the effective administration of this section or to determine whether any person subject to this section has violated this section.

(2) Administration.—For the purpose of the investigation, the Secretary may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any records that are relevant to the inquiry.

(3) Subpoena.—The attendance of witnesses and the production of any such records may be required from any place in the United States. In case of contumacy by, or refusal to obey a subpoena to, any person, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which the investigation or proceeding is carried on, or where the person re-

sides or carries on business, in requiring the attendance and testimony of witnesses and the production of records. The court may issue an order requiring the attendance and testimony of witnesses and the production of records, or requiring the person to appear before the Secretary to produce records or to give testimony on the matter under investigation.

(4) CONTEMPT.—Any failure to obey the order of the court may be punished by the court as a contempt thereof.

(5) PROCESS.—All process in any such case may be served in the judicial district of which the person is an inhabitant or wherever the person may be found.

(e) ENFORCEMENT.—The district courts of the United States are vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, any provision of this section or any regulation issued under this section.

SEC. 103. MINNESOTA-WISCONSIN PRICE SERIES REFORM.

(a) IN GENERAL.—Within 60 days of the date of enactment of this Act, the Secretary of Agriculture shall commence to accept alternative pricing formula recommendations, as they may relate to the Minnesota-Wisconsin price series used to determine the minimum prices paid under milk marketing orders, in order to amend such milk marketing orders authorized under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937. Among the alternative pricing formulas to be considered by the Secretary shall be a price series based on prices paid by milk processors for Grade A milk and manufacturing grade milk that is used in the manufacture of dairy products.

(b) AVAILABILITY OF DATA.—The Secretary shall compile and make available to the public the historical and current data used to compare the alternative pricing formulas submitted and recommended as provided in subsection (a) with the existing Minnesota-Wisconsin price series.

(c) IMPLEMENTATION IN FEDERAL MARKETING ORDERS.—

(1) ANNOUNCEMENT OF HEARING.—Not later than October 1, 1991, the Secretary shall—

(A) announce a national hearing to consider the proposed replacement of the Minnesota-Wisconsin price series in Federal milk marketing orders; and

(B) invite industry and consumer proposals on the specific provisions to be considered for each order.

(2) REPORT TO CONGRESS.—On issuance of the final decision on the hearing proposals, the Secretary shall report the decision to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(3) OPPORTUNITY FOR PUBLIC COMMENT.—The opportunity for public comment on the recommended decision shall not be less than 30 legislative days. For purposes of this paragraph, the term "legislative day" means a day on which either House of Congress is in session.

SEC. 104. HEARINGS ON FEDERAL MILK MARKETING ORDERS.

The Secretary of Agriculture shall—

(1) conclude the national hearings announced by the Secretary on March 29, 1990, regarding possible changes in the pricing provisions of Federal milk marketing orders; and

(2) to the maximum extent practicable consistent with applicable laws, effect any resulting system-wide changes in the Federal orders setting minimum prices that milk processors must pay for Grade A milk received from producers, by January 1, 1992.

SEC. 105. REPORT OF DAIRY PRODUCT PURCHASES.

The Secretary of Agriculture shall make available to the public quarterly evaluations of the acquisition and disposal of Commodity Credit Corporation purchases of dairy products.

SEC. 106. APPLICATION OF SUPPORT PRICE FOR MILK.

For purposes of supporting the price of milk under section 204 of the Agricultural Act of 1949 (as added by section 101 of this Act), the Secretary of Agriculture may not take into consideration any market value of whey.

SEC. 107. APPLICATION OF AMENDMENTS.

The amendments made by this title shall not affect any liability of any person under section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446) as in effect before the date of the enactment of this Act.

SEC. 108. ADJUSTMENTS FOR SEASONAL PRODUCTION; HEARINGS ON AMENDMENTS; DETERMINATION OF MILK PRICES.

Section 101(b) of the Agriculture and Food Act of 1981 (7 U.S.C. 608c note) is amended by striking "1990" and inserting "1995".

SEC. 109. TRANSFER OF DAIRY PRODUCTS TO THE MILITARY AND VETERANS HOSPITALS.

Section 202 of the Agricultural Act of 1949 (7 U.S.C. 1446a) is amended by striking "1990" each place it appears in subsections (a) and (b) and inserting "1995".

SEC. 110. EXTENSION OF THE DAIRY INDEMNITY PROGRAM.

Section 3 of the Act entitled "An Act to provide indemnity payments to dairy farmers" (7 U.S.C. 4501), approved August 13, 1968, is amended by striking "1990" and inserting "1995".

SEC. 111. EXPORT SALES OF DAIRY PRODUCTS.

Section 1163 of the Food Security Act of 1985 (7 U.S.C. 1731 note) is amended by striking "1990" each place it appears and inserting "1995".

SEC. 112. COMPONENT PRICING OF MILK.

Section 8c(5)(B) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)(B)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended—

(1) by striking "and" at the end of clause (d); and

(2) by inserting before the period at the end the following: "and, (f) a further adjustment, equitably to apportion the total value of milk purchased by any handler or by all handlers among producers on the basis of the milk components contained in their marketings of milk".

SEC. 113. ADJUSTMENTS IN PAYMENTS BY HANDLERS.

Section 8c(5) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by adding at the end the following:

"(L) Providing that adjustments in payments by handlers under paragraph (A) need not be the same as adjustments to producers under paragraph (B) with regard to adjustments authorized by subparagraphs (2) and (3) of paragraph (A) and clauses (b), (c), and (d) of paragraph (B)(ii).".

SEC. 114. DAIRY EXPORT INCENTIVE PROGRAM.

Section 153 of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended by striking "September 30, 1990" and inserting "December 31, 1995".

SEC. 115. STATUS OF PRODUCER HANDLERS.

The legal status of producer handlers of milk under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, shall be the same after the amendments made by this title take effect as it was before the effective date of the amendments.

SEC. 116. MULTIPLE COMPONENT PRICING STUDY.

(a) In General.—Not later than 60 days after the date of enactment of this Act, the Secretary of Agriculture shall initiate a study to determine whether, and to what extent, milkfat is being produced in the United States in excess of commercial market needs as a result of any provision of law, regulation, or order that affects the manner in which producers receive payment for milk on the basis of the milk components contained in their marketings of milk under any Federal or State milk pricing program.

(b) Study.—In conducting the study, the Secretary shall assess the potential impact on achieving balance in the production, marketing, and domestic commercial use of milkfat through adoption of multiple component pricing programs under Federal and State milk pricing programs.

(c) Report.—Not later that 180 days after the date of enactment of this Act, the Secretary shall—

(1) report the results of the study conducted under subsection (a), together with associated recommendations, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate; and

(2) publish the results of the study.

(d) Implementation in Federal Marketing Orders.—On completion and publication of the study described in this section, the Secretary shall—

(1) announce a national hearing to consider the adoption of multiple component pricing provisions in individual Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937; and

(2) invite industry and consumer proposals on the specific provisions to be considered for each order.

TITLE II—WOOL AND MOHAIR

SEC. 201. WOOL AND MOHAIR PRICE SUPPORT PROGRAM.

(a) EXTENSION.—Section 703 of the National Wool Act of 1954 (7 U.S.C. 1782) is amended by striking "1990" each place it appears in subsections (a) and (b) and inserting "1995".

(b) PAYMENT LIMITATION.—Section 704 of such Act (7 U.S.C. 1783) is amended—

(1) by striking the section heading and inserting the following:

"SEC. 704. PAYMENTS AS MEANS OF PRICE SUPPORT.";

(2) by inserting after the section designation the following: "(a) USE OF PAYMENTS.—; and

(3) by adding at the end the following new subsection:

"(b) PAYMENT LIMITATION.—

"(1) IN GENERAL.—The total amount of payments that a person shall be entitled to receive under this Act for wool or mohair for any marketing year shall not exceed—

"(A) $200,000 for the 1991 marketing year;

"(B) $175,000 for the 1992 marketing year;

"(C) $150,000 for the 1993 marketing year; and

"(D) $125,000 for each of the 1994 and subsequent marketing years.

"(2) ENFORCEMENT.—The Secretary shall issue regulations defining the term 'person' for purposes of this section. The regulations shall be consistent with regulations issued by the Secretary in accordance with sections 1001, 1001A, and 1001B of the Food Security Act of 1985 (7 U.S.C. 1308, 1308-1, and 1308-2).".

TITLE III—WHEAT

SEC. 301. LOANS, PAYMENTS, AND ACREAGE REDUCTION PROGRAMS FOR THE 1991 THROUGH 1995 CROPS OF WHEAT.

The Agricultural Act of 1949 is amended—

(1) by repealing sections 107A and 107B (7 U.S.C. 1445b and 1445b-1);

(2) by redesignating section 107D (7 U.S.C. 1445b-3) as section 107A; and

(3) by inserting after section 107A (as so redesignated) the following new section:

"SEC. 107B. LOANS, PAYMENTS, AND ACREAGE REDUCTION PROGRAMS FOR THE 1991 THROUGH 1995 CROPS OF WHEAT.

"(a) LOANS AND PURCHASES.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the Secretary shall make available to producers on a farm loans and purchases for each of the 1991 through 1995 crops of wheat produced on the farm at such level as the Secretary determines will maintain the competitive relationship of wheat to other grains in domestic and export markets after taking into consideration the cost of producing wheat, supply and demand conditions, and world prices for wheat.

"(2) MINIMUM LOAN AND PURCHASE LEVEL.—Except as provided in paragraphs (3) and (4), the loan and purchase level determined under paragraph (1) shall not be less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period, except that the loan and purchase level for a crop determined under this paragraph may not be reduced by more than 5 percent from the level determined for the preceding crop.

"(3) ADJUSTMENTS TO SUPPORT LEVEL.—

"(A) STOCKS TO USE RATIO.—If the Secretary estimates for any marketing year that the ratio of ending stocks of wheat to total use for the marketing year will be—

"(i) equal to or greater than 30 percent, the Secretary may reduce the loan and purchase level for wheat for the corresponding crop by an amount not to exceed 10 percent in any year;

"(ii) less than 30 percent but not less than 15 percent, the Secretary may reduce the loan and purchase level for wheat for the corresponding crop by an amount not to exceed 5 percent in any year; or

"(iii) less than 15 percent, the Secretary may not reduce the loan and purchase level for wheat for the corresponding crop.

"(B) REPORT TO CONGRESS.—

"(i) IN GENERAL.—If the Secretary adjusts the level of loans and purchases for wheat under subparagraph (A), the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report—

"(I) certifying such adjustment as necessary to prevent the accumulation of stocks and to retain market share; and

"(II) containing a description of the need for such adjustment.

"(ii) EFFECTIVE DATE OF ADJUSTMENT.—The adjustment shall become effective no earlier than 60 calendar days after the date of submission of the report to the Committees, except that in the case of the 1991 crop of wheat, the adjustment shall become effective on the date of the submission of the report.

"(C) COMPETITIVE POSITION.—Notwithstanding subparagraph (A), if the Secretary determines, not later than 60 days prior to the beginning of a marketing year for a crop, that the effective loan rate established for such crop will not maintain a competitive market position for wheat, the Secretary may reduce the loan and purchase level for wheat for the marketing year by an amount, in addition to any reduction under subparagraph (A), not to exceed 10 percent in any year.

"(D) No EFFECT ON FUTURE YEARS.—Any reduction in the loan and purchase level for wheat under this paragraph shall not be considered in determining the loan and purchase level for wheat for subsequent years.

"(E) MINIMUM LOAN RATE.—Notwithstanding subparagraph (A), the loan rate for wheat shall not be less than $2.44 per bushel, unless such rate would exceed 80 percent of the 5-year average market price determination.

"(4) MARKETING LOAN PROVISIONS.—

"(A) IN GENERAL.—The Secretary may permit a producer to repay a loan made under this subsection for a crop at a level (except as provided in subparagraph (C)) that is the lesser of—

"(i) the loan level determined for the crop;

"(ii) the higher of—

"(I) 70 percent of such level;

"(II) if the loan level for a crop was reduced under paragraph (3), 70 percent of the loan level that would have been in effect but for the reduction under paragraph (3); or

"(iii) the prevailing world market price for wheat (adjusted to United States quality and location), as determined by the Secretary.

"(B) PREVAILING WORLD MARKET PRICE.—If the Secretary permits a producer to repay a loan in accordance with subparagraph (A), the Secretary shall prescribe by regulation—

"(i) a formula to determine the prevailing world market price for wheat, adjusted to United States quality and location; and

"(ii) a mechanism by which the Secretary shall announce periodically the prevailing world market price for wheat.

"(C) ALTERNATIVE REPAYMENT RATES.—For each of the 1991 through 1995 crops of wheat, if the world market price for wheat (adjusted to United States quality and location) as determined by the Secretary, is less than the loan level determined for the crop, the Secretary may permit a producer to repay a loan made under this subsection for a crop at such level (not in excess of the loan level determined for the crop) as the Secretary determines will—

"(i) minimize potential loan forfeitures;

"(ii) minimize the accumulation of wheat stocks by the Federal Government;

"(iii) minimize the cost incurred by the Federal Government in storing wheat; and

"(iv) allow wheat produced in the United States to be marketed freely and competitively, both domestically and internationally.

"(5) SIMPLE AVERAGE PRICE.—For purposes of this section, the simple average price received by producers for the immediately preceding marketing year shall be based on the latest information available to the Secretary at the time of the determination.

"(b) LOAN DEFICIENCY PAYMENTS.—

"(1) IN GENERAL.—The Secretary may, for each of the 1991 through 1995 crops of wheat, make payments (hereafter in this section referred to as 'loan deficiency payments') available to producers who, although eligible to obtain a loan or purchase agreement under subsection (a), agree to forgo obtaining the loan or agreement in return for payments under this subsection.

"(2) COMPUTATION.—A payment under this subsection shall be computed by multiplying—

"(A) the loan payment rate; by

"(B) the quantity of wheat the producer is eligible to place under loan (or obtain a purchase agreement) but for which the producer forgoes obtaining the loan or agreement in return for payments under this subsection.

"(3) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

"(A) the loan level determined for the crop under subsection (a); exceeds

"(B) the level at which a loan may be repaid under subsection (a).

"(c) PAYMENTS.—

"(1) DEFICIENCY PAYMENTS.—

"(A) IN GENERAL.—The Secretary shall make available to producers payments (hereafter in this section referred to as 'deficiency payments') for each of the 1991 through 1995 crops of wheat in an amount computed by multiplying—

"(i) the payment rate; by

"(ii) the payment acres for the crop; by

"(iii) the farm program payment yield established for the crop for the farm.

"(B) PAYMENT RATE.—

"(i) PAYMENT RATE FOR 1991 THROUGH 1993 CROPS.—The payment rate for each of the 1991 through 1993 crops of wheat shall be the amount by which the established price for the crop of wheat exceeds the higher of—

"(I) the national weighted average market price received by producers during the first 5 months of the marketing year for the crop, as determined by the Secretary; or

"(II) the loan level determined for the crop, prior to any adjustment made under subsection (a)(3) for the marketing year for the crop of wheat.

"(ii) PAYMENT RATE OF 1994 AND 1995 CROPS.—The payment rate for each of the 1994 and 1995 crops of wheat shall be calculated as provided in clause (i).

"(iii) MINIMUM ESTABLISHED PRICE.—The established price for wheat shall not be less than $4.00 per bushel for each of the 1991 through 1995 crops.

"(C) PAYMENT ACRES.—Payment acres for a crop shall be the lesser of—

"(i) the number of acres planted to the crop for harvest within the permitted acreage; or *"(ii) 100 percent of the crop acreage base for the crop for the farm less the quantity of reduced acreage (as determined under subsection (e)(2)(D)).*

"(D) EMERGENCY COMPENSATION.—

"(i) IN GENERAL.—Notwithstanding the foregoing provisions of this section, if the Secretary adjusts the level of loans and purchases for wheat under subsection (a)(3), the Secretary shall provide emergency compensation by increasing the deficiency payments for wheat by such amount as the Secretary determines necessary to provide the same total return to producers as if the adjustment in the level of loans and purchases had not been made.

"(ii) CALCULATION.—In determining the payment rate, per bushel, for emergency compensation payments for a crop of wheat under this subparagraph, the Secretary shall use the national weighted average market price, per bushel of wheat, received by producers during the marketing year for the crop, as determined by the Secretary.

"(iii) DEADLINES FOR ESTIMATES AND AVAILABILITY.—Notwithstanding any other provision of this Act, the Secretary shall—

"(I) by December 1 of the marketing year for the crop, estimate the national weighted average market price, per bushel of wheat, received by producers during the marketing year;

"(II) by December 15 of the marketing year, use the estimate to make available to producers who have elected the payment option authorized by this clause not less than 75 percent of the increase in payments estimated to be payable with respect to the crop under this subparagraph; and

"(III) adjust the amount of each final payment for wheat to reflect any difference between the amount of any estimated payment made under this clause and the amount of actual payment due under this subparagraph.

"(iv) TIME FOR ELECTING PAYMENT OPTION.—Producers shall elect the payment option authorized by clause (iii) at the time of entering into a contract to participate in the program established by this section for the crop.

"(E) 0/92 PROGRAM.—

"(i) IN GENERAL.—If an acreage limitation program under subsection (e)(2) is in effect for a crop of wheat and the producers on a farm devote a portion of the maximum payment acres for wheat as calculated under subparagraph (C)(ii) of the farm equal to more than 8 percent of such wheat acreage of the farm for the crop to conservation uses (except as provided in subparagraph (F))—

"(I) such portion of the maximum payment acres in excess of 8 percent of such acreage devoted to

conservation uses (except as provided in subparagraph (F)) shall be considered to be planted to wheat for the purpose of determining the acreage on the farm required to be devoted to conservation uses in accordance with subsection (e)(2)(D); and

"(II) the producers shall be eligible for payments under this paragraph with respect to such acreage.

"(ii) DEFICIENCY PAYMENTS.—Notwithstanding any other provision of this section, any producer who devotes a portion of the maximum payment acres for wheat for the farm to conservation uses (or other uses as provided in subparagraph (F)) under this subparagraph shall receive deficiency payments on the acreage that is considered to be planted to wheat and eligible for payments under this subparagraph for the crop at a per-bushel rate established by the Secretary, except that the rate may not be established at less than the projected deficiency payment rate for the crop, as determined by the Secretary. Such projected payment rate for the crop shall be announced by the Secretary prior to the period during which wheat producers may agree to participate in the program for the crop.

"(iii) ADVERSE EFFECT ON AGRIBUSINESS AND OTHER INTERESTS.—The Secretary shall implement this subparagraph in such a manner as to minimize the adverse effect on agribusiness and other agriculturally related economic interests within any county, State, or region. In carrying out this subparagraph, the Secretary is authorized to restrict the total quantity of wheat acreage that may be taken out of production under this subparagraph, taking into consideration the total quantity of acreage that has or will be removed from production under other price support, production adjustment, or conservation program activities. No restrictions on the quantity of acreage that may be taken out of production in accordance with this subparagraph in a crop year shall be imposed in the case of a county in which producers were eligible to receive disaster emergency loans under section 321 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961) as a result of a disaster that occurred during the crop year.

"(iv) CROP ACREAGE AND PAYMENT YIELD.—The wheat crop acreage base and wheat farm program payment yield of the farm shall not be reduced due to the fact that a portion of the permitted wheat acreage of the farm was devoted to conserving uses (except as provided in subparagraph (F)) under this subparagraph.

"(v) LIMITATION.—Other than as provided in clauses (i) through (iv), payments may not be made under this paragraph for any crop on a greater acreage than the acreage actually planted to wheat.

"(vi) CONSERVATION USE ACREAGE UNDER OTHER PROGRAMS.—Any acreage considered to be planted to wheat

in accordance with clauses (i) and (iv) may not also be designated as conservation use acreage for the purpose of fulfilling any provisions under any acreage limitation or land diversion program requiring that the producers devote a specified acreage to conservation uses.

"(F) Alternative crops.—

"(i) Industrial and other crops.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of acreage otherwise required to be devoted to conservation uses as a condition of qualifying for payments under subparagraph (E) to be devoted to sweet sorghum, guar, sesame, castor beans, crambe, plantago ovato, triticale, rye, mung beans, commodities for which no substantial domestic production or market exists but that could yield industrial raw material being imported, or likely to be imported, into the United States, or commodities grown for experimental purposes (including kenaf and milkweed), subject to the following sentence. The Secretary may permit the acreage to be devoted to the production only if the Secretary determines that—

"(I) the production is not likely to increase the cost of the price support program and will not affect farm income adversely; and

"(II) the production is needed to provide an adequate supply of the commodity, or, in the case of commodities for which no substantial domestic production or market exists but that could yield industrial raw materials, the production is needed to encourage domestic manufacture of the raw material and could lead to increased industrial use of the raw material to the long-term benefit of United States industry.

"(ii) Oilseeds.—The Secretary shall permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of acreage otherwise required to be devoted to conservation uses as a condition of qualifying for payments under subparagraph (E) to be devoted to sunflowers, rapeseed, canola, safflower, flaxseed, mustard seed, and other minor oilseed designated by the Secretary (excluding soybeans). In implementing this clause, the Secretary shall provide that, in order to receive payments under subparagraph (E), the producers shall agree to forgo eligibility to receive a loan under section 205 for the crop of any such oilseed produced on the farm.

"(G) Reduction for disaster payments.—The total quantity of wheat on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (2).

"(2) Disaster payments.—

"(A) PREVENTED PLANTING.—Except as provided in subparagraph (C), if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for wheat to wheat or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers in an amount equal to the product obtained by multiplying—

"(i) the number of acres so affected but not to exceed the acreage planted to wheat for harvest (including any acreage that the producers were prevented from planting to wheat or other nonconserving crops in lieu of wheat because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year; by

"(ii) 75 percent of the farm program payment yield established for the farm by the Secretary; by

"(iii) a payment rate equal to 33⅓ percent of the established price for the crop.

"(B) REDUCED YIELDS.—Except as provided in subparagraph (C), if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of wheat that the producers are able to harvest on any farm is less than the result of multiplying 60 percent of the farm program payment yield established by the Secretary for the crop by the acreage planted for harvest for the crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 50 percent of the established price for the crop for the deficiency in production below 60 percent for the crop.

"(C) CROP INSURANCE.—Producers on a farm shall not be eligible for—

"(i) prevented planting disaster payments under subparagraph (A), if prevented planting crop insurance is available to the producers under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) with respect to the wheat acreage of the producers; or

"(ii) reduced yield disaster payments under subparagraph (B), if reduced yield crop insurance is available to the producers under such Act with respect to the wheat acreage of the producers.

"(D) ADMINISTRATION.—

"(i) ECONOMIC EMERGENCIES.—Notwithstanding subparagraph (C), the Secretary may make a disaster payment to the producers on a farm under this paragraph if the Secretary determines that—

"(I) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the producers have suffered substantial losses of production either from being prevented from planting wheat or other nonconserving crops or from reduced yields;

"(II) the losses have created an economic emergency for the producers;

"(III) crop insurance indemnity payments under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) and other forms of assistance made available by the Federal Government to the producers for the losses are insufficient to alleviate the economic emergency; and

"(IV) additional assistance must be made available to the producers to alleviate the economic emergency.

"(ii) ADJUSTMENTS.—The Secretary may make such adjustments in the amount of payments made available under this paragraph with respect to an individual farm as necessary to ensure the equitable allotment of the payments among producers, taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(d) PAYMENT YIELDS.—The farm program payment yields for farms for each crop of wheat shall be determined under title V.

"(e) ACREAGE REDUCTION PROGRAMS.—

"(1) IN GENERAL.—

"(A) ESTABLISHMENT.—Notwithstanding any other provision of this Act, if the Secretary determines that the total supply of wheat, in the absence of an acreage limitation program, will be excessive taking into account the need for an adequate carry-over to maintain reasonable and stable supplies and prices and to meet a national emergency, the Secretary may provide for any crop of wheat an acreage limitation program as described in paragraph (2).

"(B) AGRICULTURAL RESOURCES CONSERVATION PROGRAM.—In making a determination under subparagraph (A), the Secretary shall take into consideration the number of acres placed in the agricultural resources conservation program established under subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.).

"(C) ANNOUNCEMENTS.—If the Secretary elects to implement an acreage limitation program for any crop year, the Secretary shall announce any such program not later than June 1 prior to the calendar year in which the crop is harvested, except that in the case of the 1991 crop, the Secretary shall announce the program as soon as practicable after the date of enactment of this section.

"(D) ADJUSTMENTS.—Not later than July 31 of the year previous to the year in which the crop is harvested, the Secretary may make adjustments in the program announced under subparagraph (C) if the Secretary determines that there has been a significant change in the total supply of wheat since the program was first announced.

"(E) COMPLIANCE.—As a condition of eligibility for loans, purchases, and payments for any such crop of wheat, except as provided in subsections (f) and (g) and section 504, the producers on a farm must comply with the terms and con-

ditions of the acreage limitation program and, if applicable, a land diversion program as provided in paragraph (5).

"(F) ACREAGE LIMITATION PROGRAM FOR 1991 CROP.—In the case of the 1991 crop of wheat, the Secretary shall provide for an acreage limitation program (as described in paragraph (2)) under which the acreage planted to wheat for harvest on a farm would be limited to the wheat crop acreage base for the farm for the crop reduced by not less than 15 percent.

"(G) ACREAGE LIMITATION PROGRAMS FOR 1992 THROUGH 1995 CROPS.—In the case of each of the 1992 through 1995 crops of wheat, if the Secretary estimates for a marketing year for the crop that the ratio of ending stocks of wheat to total disappearance of wheat for the preceding marketing year will be—

"(i) more than 40 percent, the Secretary shall provide for an acreage limitation program (as described in paragraph (2)) under which the acreage planted to wheat for harvest on a farm would be limited to the wheat crop acreage base for the farm for the crop reduced by not less than 10 percent nor more than 20 percent; or

"(ii) equal to or less than 40 percent, the Secretary may provide for such an acreage limitation program under which the acreage planted to wheat for harvest on a farm would be limited to the wheat crop acreage base for the farm for the crop reduced by not more than 0 to 15 percent.

For the purpose of this subparagraph, the term 'total disappearance' means all wheat utilization, including total domestic, total export, and total residual disappearance.

"(2) ACREAGE LIMITATION PROGRAM.—

"(A) PERCENTAGE REDUCTIONS.—Except as provided in paragraph (3), if a wheat acreage limitation program is announced under paragraph (1), such limitation shall be achieved by applying a uniform percentage reduction (from 0 to 20 percent) to the wheat crop acreage base for the crop for each wheat-producing farm.

"(B) COMPLIANCE.—Except as provided in subsection (g) and section 504, producers who knowingly produce wheat in excess of the permitted wheat acreage for the farm shall be ineligible for wheat loans, purchases, and payments with respect to that farm.

"(C) CROP ACREAGE BASES.—Wheat crop acreage bases for each crop of wheat shall be determined under title V.

"(D) ACREAGE DEVOTED TO CONSERVATION USES.—A number of acres on the farm shall be devoted to conservation uses, in accordance with regulations issued by the Secretary. Such number shall be determined by multiplying the wheat crop acreage base by the percentage reduction required by the Secretary. The number of acres so determined is hereafter in this subsection referred to as 'reduced acreage'. The remaining acreage is hereafter in this subsection referred to as 'permitted acreage'. Permitted acreage may be

adjusted by the Secretary as provided in paragraph (3) and in section 504.

"(E) Individual farm program acreage.—Except as otherwise provided in subsection (c), the individual farm program acreage shall be the acreage planted on the farm to wheat for harvest within the permitted wheat acreage for the farm as established under this paragraph.

"(F) Planting designated crops on reduced acreage.—

"(i) Definition of designated crop.—As used in this subparagraph, the term 'designated crop' means a crop defined in section 504(b)(1), excluding any program crop as defined in section 502(3).

"(ii) In general.—Subject to clause (iii), the Secretary may permit producers on a farm to plant a designated crop on no more than one-half of the reduced acreage on the farm.

"(iii) Limitations.—If the producers on a farm elect to plant a designated crop on reduced acreage under this subparagraph—

"(I) the amount of the deficiency payment that the producers are otherwise eligible to receive under subsection (c) shall be reduced, for each acre (or portion thereof) that is planted to the designated crop, by an amount equal to the deficiency payment that would be made with respect to a number of acres of the crop that the Secretary considers appropriate, except that if the producers on the farm are participating in a program established for more than one program crop, the amount of the reduction shall be determined by prorating the reduction based on the acreage planted or considered planted on the farm to all of such program crops; and

"(II) the Secretary shall ensure that reductions in deficiency payments under subclause (I) are sufficient to ensure that this subparagraph will result in no additional cost to the Commodity Credit Corporation.

"(3) Targeted option payments.—

"(A) In general.—Notwithstanding any other provision of this section, if the Secretary implements an acreage limitation program with respect to any of the 1991 through 1995 crops of wheat, the Secretary may make available to producers on a farm who do not receive payments under subsection (c)(1)(E) for such crop on the farm, adjustments in the level of deficiency payments that would otherwise be made available to the producers if the producers exercise the payment options provided in this paragraph.

"(B) Payment options.—If the Secretary elects to carry out this paragraph, the Secretary shall make the payment options specified in subparagraphs (C) and (D) available to producers who agree to make adjustments in the quantity of acreage diverted from the production of wheat under an

acreage limitation program in accordance with this paragraph.

"(C) Increased acreage limitation option.—

"(i) Increase in established price.—If the Secretary elects to carry out this paragraph, a producer shall be eligible to receive an increase in the established price for wheat under clause (ii) if the producer agrees to an increase in the acreage limitation percentage to be applied to the producers' wheat acreage base above the acreage limitation percentage announced by the Secretary.

"(ii) Method of calculation.—For the purposes of calculating deficiency payments to be made available to producers who participate in the program under this paragraph, the Secretary shall increase the established price for wheat by an amount determined by the Secretary, but not less than 0.5 percent, nor more than 1 percent, for each 1 percentage point increase in the acreage limitation percentage applied to the producers' wheat acreage base.

"(iii) Limitation.—The acreage limitation percentage to be applied to the producers' wheat acreage base shall not be increased by more than 10 percentage points for the 1991 crop and 15 percentage points for each of the 1992 through 1995 crops above the acreage limitation percentage announced by the Secretary for the crop or above 25 percent total for the crop.

"(D) Decreased acreage limitation option.—

"(i) Decrease in acreage limitation requirement.—If the Secretary elects to carry out this paragraph, a producer shall be eligible to decrease the acreage limitation percentage applicable to the producers' wheat acreage base (as announced by the Secretary) if the producer agrees to a decrease in the established price for wheat under clause (ii) for the purpose of calculating deficiency payments to be made available to the producer.

"(ii) Method of calculation.—For the purposes of calculating deficiency payments to be made available to producers who choose the option set forth in this subparagraph, the Secretary shall decrease the established price for wheat by an amount to be determined by the Secretary, but not less than 0.5 percent, nor more than 1 percent, for each 1 percentage point decrease in the acreage limitation percentage applied to the producers' wheat acreage base.

"(iii) Limitation.—A producer may not choose to decrease the acreage limitation percentage applicable to the producers' wheat acreage base under this paragraph by more than one-half of the announced acreage limitation percentage.

"(E) Participation and production effects.—Notwithstanding any other provision of this paragraph, the Secretary shall, to the extent practicable, ensure that the pro-

gram provided for in this paragraph does not have a significant effect on program participation or total production and shall be offered in such a manner that the Secretary determines will result in no additional budget outlays. The Secretary shall provide an analysis of the Secretary's determination to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(4) ADMINISTRATION.—

"(A) PROTECTION FROM WEEDS AND EROSION.—The regulations issued by the Secretary under paragraph (2) with respect to acreage required to be devoted to conservation uses shall assure protection of the acreage from weeds and wind and water erosion.

"(B) ANNUAL OR PERENNIAL COVER.—

"(i) IN GENERAL.—Except as provided in paragraph (2), a producer who participates in an acreage reduction program established for a crop of wheat under this subsection shall be required to plant to an annual or perennial cover 50 percent (or more, at the option of the producer) of the acreage that is required to be removed from the production of wheat, but not to exceed 5 percent (or more, at the option of the producer) of the crop acreage base established for the crop. This requirement shall not apply with respect to arid areas (including summer fallow areas), as determined by the Secretary.

"(ii) MULTIYEAR PROGRAM.—

"(I) COST-SHARE ASSISTANCE.—If a producer elects to establish a perennial cover capable of improving water quality or wildlife habitat on the acreage, the Commodity Credit Corporation shall make available cost-share assistance for 25 percent of the approved cost of establishing the cover on not more than 50 percent of the acreage that is required to be diverted from production, but not to exceed 5 percent (or more, at the option of the producer) of the crop acreage base established for a crop.

"(II) AGREEMENT OF PRODUCER.—If a producer elects to establish a perennial cover on the acreage under this subparagraph and receives cost-share assistance from the Corporation with respect to the cover, the producer, under such terms and conditions as may be prescribed by the Secretary, taking into consideration guidelines established by the State technical committees established in subtitle G of title XII of the Food Security Act of 1985, shall agree to maintain the perennial cover for a minimum of 3 years.

"(iii) CONSERVING CROPS.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the acreage to be devoted to sweet sorghum, guar, sesame, castor beans, crambe, plantago ovato, triticale, rye, mung beans,

milkweed, or other commodity, if the Secretary determines that the production is needed to provide an adequate supply of the commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely.

"(C) HAYING AND GRAZING.—

"(i) IN GENERAL.—Except as provided in clause (ii), haying and grazing of reduced acreage, acreage devoted to a conservation use under subsection (c)(1)(E), and acreage diverted from production under a land diversion program established under this section shall be permitted, except during any consecutive 5-month period that is established by the State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) for a State. The 5-month period shall be established during the period beginning April 1, and ending October 31, of a year.

"(ii) NATURAL DISASTERS.—In the case of a natural disaster, the Secretary may permit unlimited haying and grazing on the acreage. The Secretary may not exclude irrigated or irrigable acreage not planted in alfalfa when exercising the authority under this clause.

"(D) WATER STORAGE USES.—

"(i) IN GENERAL.—The regulations issued by the Secretary under paragraph (2) with respect to acreage required to be devoted to conservation uses shall provide that land that has been converted to water storage uses shall be considered to be devoted to conservation uses if the land was devoted to wheat, feed grains, cotton, rice, or oilseeds in at least 3 of the immediately preceding 5 years. The land shall be considered to be devoted to conservation uses for the period that the land remains in water storage uses, but not to exceed 5 years subsequent to its conversion to water storage uses.

"(ii) LIMITATIONS.—Land converted to water storage uses for the purposes of this subparagraph may not be devoted to any commercial use, including commercial fish production. The water stored on the land may not be ground water. The farm on which the land is located must have been irrigated with ground water during at least 1 of the preceding 5 crop years.

"(E) SUMMER FALLOW.—In determining the quantity of land to be devoted to conservation uses under an acreage limitation program with respect to land that has been farmed under summer fallow practices, as defined by the Secretary, the Secretary shall consider the effects of soil erosion and such other factors as the Secretary considers appropriate.

"(5) LAND DIVERSION PAYMENTS.—

"(A) IN GENERAL.—The Secretary may make land diversion payments to producers of wheat, whether or not an acreage limitation program for wheat is in effect, if the Secretary determines that the land diversion payments are nec-

essary to assist in adjusting the total national acreage of wheat to desirable goals. The land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with the producers.

"(B) AMOUNTS.—The amounts payable to producers under land diversion contracts may be determined through the submission of bids for the contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted.

"(C) LIMITATION ON DIVERTED ACREAGE.—The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(6) CONSERVATION PRACTICES.—

"(A) WILDLIFE FOOD PLOTS OR HABITAT.—The reduced acreage and additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of this subparagraph.

"(B) SOIL AND WATER CONSERVATION PRACTICES.—The Secretary may also pay an appropriate share of the cost of approved soil and water conservation practices (including practices that may be effective for a number of years) established by the producer on acreage required to be devoted to conservation uses or on additional diverted acreage.

"(C) PUBLIC ACCESSIBILITY.—The Secretary may provide for an additional payment on the acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(7) PARTICIPATION AGREEMENTS.—

"(A) IN GENERAL.—Producers on a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for the participation not later than such date as the Secretary may prescribe.

"(B) MODIFICATION OR TERMINATION.—The Secretary may, by mutual agreement with producers on a farm, modify or terminate any such agreement if the Secretary determines the action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities. The

Secretary may modify the agreement under this subparagraph for the purpose of alleviating a shortage in the supply of agricultural commodities only if there has been a significant change in the estimated stocks of the commodity since the Secretary announced the final terms and conditions of the program for the crop of wheat.

"(8) SPECIAL OATS PLANTINGS.—In any crop year that the Secretary determines that projected domestic production of oats will not fulfill the projected domestic demand for oats, notwithstanding the foregoing provisions of this subsection, the Secretary—

"(A) may provide that any reduced acreage may be planted to oats for harvest;

"(B) may make program benefits (including loans, purchases, and payments) available under the annual program for oats under section 105B available to producers with respect to acreage planted to oats under this paragraph; and

"(C) shall not make program benefits other than the benefits specified in subparagraph (B) available to producers with respect to acreage planted to oats under this paragraph.

"(f) INVENTORY REDUCTION PAYMENTS.—

"(1) IN GENERAL.—The Secretary may, for each of the 1991 through 1995 crops of wheat, make payments available to producers who meet the requirements of this subsection.

"(2) FORM.—The payments may be made in the form of marketing certificates.

"(3) PAYMENTS.—Payments under this subsection shall be determined in the same manner as provided in subsection (b).

"(4) ELIGIBILITY.—A producer shall be eligible to receive a payment under this subsection for a crop if the producer—

"(A) agrees to forgo obtaining a loan or purchase agreement under subsection (a);

"(B) agrees to forgo receiving payments under subsection (c);

"(C) does not plant wheat for harvest in excess of the crop acreage base reduced by one-half of any acreage required to be diverted from production under subsection (e); and

"(D) otherwise complies with this section.

"(g) PILOT VOLUNTARY PRODUCTION LIMITATION PROGRAM.—

"(1) IN GENERAL.—Effective for the 1992 or 1993 crops (and, if the Secretary so determines, the 1994 and 1995 crops), if a wheat acreage limitation program or a land diversion program is announced under subsection (d) for such crops, the Secretary shall carry out a pilot program in at least 15 counties in at least 2 States where producers express an interest in participating in the pilot program under which the producers on a farm shall be considered to have met the requirements of such acreage limitation or land diversion program if the producers meet the requirements of the voluntary production limitation program established under this subsection.

"(2) LIMITATION ON MARKETING.—In order to comply with the voluntary production limitation program, the producers on a farm must agree not to market, barter, donate, or use on the

farm (including use as feed for livestock) in a marketing year a quantity of wheat in excess of the wheat production limitation quantity for the farm for the marketing year.

"(3) Production limitation quantity.—For purposes of this subsection, the production limitation quantity for a farm for a marketing year for a crop shall equal the product obtained by multiplying—

"(A) the acreage permitted to be planted to wheat under the acreage reduction program or land diversion program in effect for the crop for the farm; by

"(B) the higher of—

"(i) the farm program payment yield for the farm; or

"(ii) the average of the yield per harvested acre for wheat for the farm for each of the 5 crop years immediately preceding the crop year during which the producers first participate in the program established under this subsection, excluding the crop years with the highest and lowest yield per harvested acre and any crop year in which the commodity was not planted on the farm.

"(4) Terms and conditions.—Producers on a farm who elect to participate in the program established under this subsection for a crop of wheat shall—

"(A) enter into an agreement with the Secretary providing that the producers shall comply with the program for the crop;

"(B) not plant program commodities for harvest in a quantity in excess of the sum of the crop acreage bases for the farm; and

"(C) be considered to have complied with the terms and conditions of the wheat acreage reduction program or land diversion program for the crop, even though the acreage planted to wheat on the farm exceeds the permitted acreage provided under the acreage reduction or land diversion program.

"(5) Excess production.—

"(A) In general.—Any quantity of wheat produced in a crop year on a farm in excess of the production limitation quantity for the farm may be stored by the producers for a period of not to exceed 5 marketing years and may be used only in accordance with this paragraph.

"(B) Marketing in subsequent year.—

"(i) Participants in program.—Producers on a farm who are participating in the program established under this subsection may market, barter, or use a quantity of the excess wheat referred to in subparagraph (A) equal to the difference between the production limitation quantity for the farm for the crop year subsequent to the crop year in which the excess wheat is produced less the quantity of wheat produced on the farm during the crop year.

"(ii) Participants in acreage reduction program.—Producers on a farm who are participating in an acreage reduction or a land diversion program for a

crop of wheat may market, barter, or use a quantity of the excess wheat referred to in subparagraph (A) in an amount that reflects the quantity of wheat that would be expected to be produced on acreage that the producers agree to devote to approved conservation uses (in excess of any acreage reduction or land diversion requirements) during a crop year, as determined by the Secretary.

"(6) DUTIES OF SECRETARY.—In carrying out the pilot program established under this subsection, the Secretary—

"(A) shall issue such regulations as are necessary to carry out the program;

"(B) may require increased acreage reduction or land diversion requirements with respect to producers who have had excess wheat production in order to allow the producers to market, barter, or use the production in subsequent years;

"(C) shall take appropriate measures designed to prevent the circumvention of the program established under this subsection, including the imposition of penalties;

"(D) may require producers who participate in the program for a crop, but who fail to comply with the terms and conditions of the program, to refund all or a part of any deficiency payments received with respect to the crop;

"(E) may require the forfeiture to the Commodity Credit Corporation of any wheat that is produced in excess of the production limitation quantity and that is not marketed, bartered, or used within 5 marketing years; and

"(F) shall ensure equitable treatment for producers who participate in the pilot program if the Secretary allows increases (based on actual production levels) in the determination of farm program payment yields for wheat for the farm.

"(7) REPORT.—

"(A) IN GENERAL.—The Comptroller General of the United States shall prepare a report that evaluates the pilot program carried out under this subsection.

"(B) SUBMISSION.—The Comptroller General shall submit a copy of the report required by subparagraph (A) to the Committee on Agriculture of the House of Representatives, the Committee on Agriculture, Nutrition, and Forestry of the Senate, and the Secretary.

"(h) EQUITABLE RELIEF.—

"(1) LOANS, PURCHASES, AND PAYMENTS.—If the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure. The Secretary may consider whether the producer made a good faith effort to comply fully with the terms and conditions of such program in determining whether equitable relief is warranted under this paragraph.

"(2) DEADLINES AND PROGRAM REQUIREMENTS.—The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

"(i) REGULATIONS.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

"(j) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(k) ASSIGNMENT OF PAYMENTS.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to payments under this section.

"(l) SHARING OF PAYMENTS.—The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

"(m) TENANTS AND SHARECROPPERS.—The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(n) CROSS-COMPLIANCE.—

"(1) IN GENERAL.—Compliance on a farm with the terms and conditions of any other commodity program, or compliance with crop acreage base requirements for any other commodity, may not be required as a condition of eligibility for loans, purchases, or payments under this section.

"(2) COMPLIANCE ON OTHER FARMS.—The Secretary may not require producers on a farm, as a condition of eligibility for loans, purchases, or payments under this section for the farm, to comply with the terms and conditions of the wheat program with respect to any other farm operated by the producers.

"(o) PUBLIC COMMENT ON WHEAT PROGRAM.—

"(1) IN GENERAL.—In order to ensure that producers and consumers of wheat are provided with reasonable opportunity to comment on the annual program determinations concerning the price support and acreage reduction program for each of the 1992 and subsequent crops of wheat, the Secretary shall request public comment regarding the wheat program in accordance with this subsection.

"(2) OPTIONS.—Not less than 60 days before the program is announced for a crop of wheat under this section, the Secretary shall propose for public comment various program options for the crop of wheat.

"(3) ANALYSES.—Each option proposed by the Secretary shall be accompanied by an analysis that includes the estimated planted acreage, production, domestic and export use, ending stocks, season average producer price, program participation rate, and cost to the Federal Government that would likely result from each option.

"(4) ESTIMATES.—In announcing the program for a crop of wheat under this section, the Secretary shall include an estimate of the planted acreage, production, domestic and export

use, ending stocks, season average producer price, program participation rate, and cost to the Federal Government that is expected to result from the program as announced.

"(p) SPECIAL PROVISIONS FOR WHEAT PLANTED IN 1990.—Effective with respect to producers of the 1991 crop of wheat that was planted in 1990, a producer may, when participating in the production adjustment program for the 1991 crop of wheat specified in this section elect to participate in the program with the following modifications:

"(1) DEFICIENCY PAYMENTS.—The producer's deficiency payment shall be the amount by which the established price for the crop of wheat exceeds the higher of—

"(A) the lesser of—

"(i) the national weighted average market price received by producers during the marketing year for the crop, as determined by the Secretary; or

"(ii) the national weighted average market price received by producers during the first 5 months of the marketing year for the crop, as determined by the Secretary, plus 10 cents per bushel; or

"(B) the loan level determined for the crop, prior to any adjustment made under subsection (a)(3) for the marketing year for the crop of wheat.

"(2) PAYMENT ACRES.—The producer's payment acres shall be the lesser of—

"(A) the number of acres planted to the crop for harvest within the permitted acreage; or

"(B) 100 percent of the crop acreage base for the crop for the farm less the quantity of reduced acreage (as determined under subsection (e)(2)(D)).

"(q) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1991 through 1995 crops of wheat.".

SEC. 302. NONAPPLICABILITY OF CERTIFICATE REQUIREMENTS.

Sections 379d through 379j of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1379d–1379j) (relating to marketing certificate requirements for processors and exporters) shall not be applicable to wheat processors or exporters during the period June 1, 1991, through May 31, 1996.

SEC. 303. SUSPENSION OF LAND USE, WHEAT MARKETING ALLOCATION, AND PRODUCER CERTIFICATE PROVISIONS.

Sections 331 through 339, 379b, and 379c of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1331 through 1339, 1379b, and 1379c) shall not be applicable to the 1991 through 1995 crops of wheat.

SEC. 304. SUSPENSION OF CERTAIN QUOTA PROVISIONS.

The joint resolution entitled "A joint resolution relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended", approved May 26, 1941 (7 U.S.C. 1330 and 1340) shall not be applicable to the crops of wheat planted for harvest in the calendar years 1991 through 1995.

SEC. 305. NONAPPLICABILITY OF SECTION 107 OF THE AGRICULTURAL ACT OF 1949 TO THE 1991 THROUGH 1995 CROPS OF WHEAT.

Section 107 of the Agricultural Act of 1949 (7 U.S.C. 1445a) shall not be applicable to the 1991 through 1995 crops of wheat.

TITLE IV—FEED GRAINS

SEC. 401. LOANS, PAYMENTS, AND ACREAGE REDUCTION PROGRAMS FOR THE 1991 THROUGH 1995 CROPS OF FEED GRAINS.

The Agricultural Act of 1949 is amended—

(1) by repealing sections 105A and 105B (7 U.S.C. 1444c and 1444d);

(2) by redesignating section 105C (7 U.S.C. 1444e) as section 105A; and

(3) by inserting after section 105A (as so redesignated) the following new section:

"SEC. 105B. LOANS, PAYMENTS, AND ACREAGE REDUCTION PROGRAMS FOR THE 1991 THROUGH 1995 CROPS OF FEED GRAINS.

"(a) LOANS AND PURCHASES.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the Secretary shall make available to producers on a farm loans and purchases for each of the 1991 through 1995 crops of corn produced on the farm at such level as the Secretary determines will encourage the exportation of feed grains and not result in excessive total stocks of feed grains after taking into consideration the cost of producing corn, supply and demand conditions, and world prices for corn.

"(2) MINIMUM LOAN AND PURCHASE LEVEL.—Except as provided in paragraphs (3) and (4), the loan and purchase level determined under paragraph (1) shall not be less than 85 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period, except that the loan and purchase level for a crop determined under this paragraph may not be reduced by more than 5 percent from the level determined for the preceding crop.

"(3) ADJUSTMENTS TO SUPPORT LEVEL.—

"(A) STOCKS TO USE RATIO.— If the Secretary estimates for any marketing year that the ratio of ending stocks of corn to total use for the marketing year will be—

"(i) equal to or greater than 25 percent, the Secretary may reduce the loan and purchase level for corn for the corresponding crop by an amount not to exceed 10 percent in any year;

"(ii) less than 25 percent but not less than 12.5 percent, the Secretary may reduce the loan and purchase level for corn for the corresponding crop by an amount not to exceed 5 percent in any year; or

"(iii) less than 12.5 percent the Secretary may not reduce the loan and purchase level for corn for the corresponding crop.

"(B) REPORT TO CONGRESS.—

"(i) IN GENERAL.—If the Secretary adjusts the level of loans and purchases for corn under subparagraph (A), the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report—

"(I) certifying such adjustment as necessary to prevent the accumulation of stocks and to retain market share; and

"(II) containing a description of the need for such adjustment.

"(ii) EFFECTIVE DATE OF ADJUSTMENT.—The adjustment shall become effective no earlier than 60 calendar days after the date of submission of the report to the Committees, except that in the case of the 1991 crop of feed grains, the adjustment shall become effective on the date of the submission of the report.

"(C) COMPETITIVE POSITION.—Notwithstanding subparagraph (A), if the Secretary determines, not later than 60 days prior to the beginning of a marketing year for a crop, that the effective loan rate established for such crop will not maintain a competitive market position for corn, the Secretary may reduce the loan and purchase level for corn for the marketing year by an amount, in addition to any reduction under subparagraph (A), not to exceed 10 percent in any year.

"(D) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan and purchase level for corn under this paragraph shall not be considered in determining the loan and purchase level for corn for subsequent years.

"(E) MINIMUM LOAN RATE.—Notwithstanding subparagraph (A), the loan rate for corn shall not be less than $1.76 per bushel, unless such rate would exceed 80 percent of the 5-year average market price determination.

"(4) MARKETING LOAN PROVISIONS.—

"(A) IN GENERAL.—The Secretary may permit a producer to repay a loan made under this subsection for a crop at a level (except as provided in subparagraph (C)) that is the lesser of—

"(i) the loan level determined for the crop;

"(ii) the higher of—

"(I) 70 percent of such level;

"(II) if the loan level for a crop was reduced under paragraph (3), 70 percent of the loan level that would have been in effect but for the reduction under paragraph (3); or

"(iii) the prevailing world market price for feed grains (adjusted to United States quality and location), as determined by the Secretary.

"(B) PREVAILING WORLD MARKET PRICE.—If the Secretary permits a producer to repay a loan in accordance with subparagraph (A), the Secretary shall prescribe by regulation—

“(i) a formula to determine the prevailing world market price for feed grains, adjusted to United States quality and location; and

“(ii) a mechanism by which the Secretary shall announce periodically the prevailing world market price for feed grains.

“(C) ALTERNATIVE REPAYMENT RATES.—For each of the 1991 through 1995 crops of feed grains, if the world market price for feed grains (adjusted to United States quality and location) as determined by the Secretary, is less than the loan level determined for the crop, the Secretary may permit a producer to repay a loan made under this subsection for a crop at such level (not in excess of the loan level determined for the crop) as the Secretary determines will—

“(i) minimize potential loan forfeitures;

“(ii) minimize the accumulation of feed grain stocks by the Federal Government;

“(iii) minimize the cost incurred by the Federal Government in storing feed grains; and

“(iv) allow feed grains produced in the United States to be marketed freely and competitively, both domestically and internationally.

“(5) SIMPLE AVERAGE PRICE.—For purposes of this section, the simple average price received by producers for the immediately preceding marketing year shall be based on the latest information available to the Secretary at the time of the determination.

“(6) OTHER FEED GRAINS.—The Secretary shall make available to producers loans and purchases for each of the 1991 through 1995 crops of grain sorghums, barley, oats, and rye, respectively, produced on the farm at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value of the commodity in relation to corn and other factors specified in section 401(b).

“(b) LOAN DEFICIENCY PAYMENTS.—

“(1) IN GENERAL.—The Secretary may, for each of the 1991 through 1995 crops of feed grains, make payments (hereafter in this section referred to as ‘loan deficiency payments’) available to producers who, although eligible to obtain a loan or purchase agreement under subsection (a), agree to forgo obtaining the loan or agreement in return for payments under this subsection.

“(2) COMPUTATION.—A payment under this subsection shall be computed by multiplying—

“(A) the loan payment rate; by

“(B) the quantity of feed grains the producer is eligible to place under loan (or obtain a purchase agreement) but for which the producer forgoes obtaining the loan or agreement in return for payments under this subsection.

“(3) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

“(A) the loan level determined for the crop under subsection (a); exceeds

“(B) the level at which a loan may be repaid under subsection (a).

"(c) PAYMENTS.—

"(1) DEFICIENCY PAYMENTS.—

"(A) IN GENERAL.—The Secretary shall make available to producers payments (hereafter in this section referred to as 'deficiency payments') for each of the 1991 through 1995 crops of corn, grain sorghums, oats, and barley, in an amount computed by multiplying—

"(i) the payment rate; by

"(ii) the payment acres for the crop; by

"(iii) the farm program payment yield established for the crop for the farm.

"(B) PAYMENT RATE.—

"(i) PAYMENT RATE FOR 1991 THROUGH 1993 CROPS.—The payment rate for each of the 1991 through 1993 crops of corn, grain sorghums, oats, and barley shall be the amount by which the established price for the respective crop of feed grains exceeds the higher of—

"(I) the national weighted average market price received by producers during the first 5 months of the marketing year for the crop, as determined by the Secretary; or

"(II) the loan level determined for the crop, prior to any adjustment made under subsection (a)(3) for the marketing year for the crop.

"(ii) PAYMENT RATE OF 1994 AND 1995 CROPS.—The payment rate for each of the 1994 and 1995 crops of corn, grain sorghums, oats, and barley shall be determined as provided in clause (i).

"(iii) MINIMUM ESTABLISHED PRICES.—

"(I) CORN.—The established price for corn shall not be less than $2.75 per bushel for each of the 1991 through 1995 crops of corn.

"(II) OATS.—The established price for oats shall be such price as the Secretary determines is fair and reasonable in relation to the established price for corn, but not less than $1.45 per bushel.

"(III) GRAIN SORGHUMS.—The established price for each of the 1991 through 1995 crops of grain sorghums shall not be less than $2.61 per bushel.

"(IV) BARLEY.—

"(aa) IN GENERAL.—The established price for barley shall be such price as the Secretary determines is fair and reasonable in relation to the established price for corn, taking into consideration the various feed and food uses for barley. The established price for barley shall not be less than 85.8 percent of the established price for corn.

"(bb) BARLEY CALCULATIONS.—The Secretary shall, for purposes of determining the payment rate for barley under clause (i)(I) and subparagraph (D)(ii), use the national weighted average market price received by producers of barley sold primarily for feed purposes.

"(cc) ADVANCE PAYMENTS.—In the case of the 1991 crop of barley, the Secretary shall, for purposes of determining any advance deficiency payment made to the producers of barley under section 114, use the national weighted average market price received by producers for all barley, as determined by the Secretary.

"(dd) EQUITY.—In implementing this subsection, the Secretary shall make available to producers of the 1991 crop of barley, notwithstanding the method of calculation or the amount of the advance deficiency payment, the total amount of payments as calculated under clause (bb).

"(C) PAYMENT ACRES.—Payment acres for a crop shall be the lesser of—

"(i) the number of acres planted to the crop for harvest within the permitted acreage; or

"(ii) 100 percent of the crop acreage base for the crop for the farm less the quantity of reduced acreage (as determined under subsection (e)(2)(D)).

"(D) EMERGENCY COMPENSATION.—

"(i) IN GENERAL.—Notwithstanding the foregoing provisions of this section, if the Secretary adjusts the level of loans and purchases for feed grains under subsection (a)(3), the Secretary shall provide emergency compensation by increasing the deficiency payments for feed grains by such amount as the Secretary determines necessary to provide the same total return to producers as if the adjustment in the level of loans and purchases had not been made.

"(ii) CALCULATION.—In determining the payment rate, per bushel, for emergency compensation payments for a crop of feed grains under this subparagraph, the Secretary shall use the national weighted average market price, per bushel of feed grains, received by producers during the marketing year for the crop, as determined by the Secretary.

"(E) 0/92 PROGRAM.—

"(i) IN GENERAL.—If an acreage limitation program under subsection (e)(2) is in effect for a crop of feed grains and the producers on a farm devote a portion of the maximum payment acres for feed grains as calculated under subparagraph (C)(ii) of the farm equal to more than 8 percent of such feed grain acreage of the farm for the crop, to conservation uses (except as provided in subparagraph (F))—

"(I) such portion of the maximum payment acres of the farm in excess of 8 percent of such acreage devoted to conservation uses (except as provided in subparagraph (F)) shall be considered to be planted to feed grains for the purpose of determining the acreage on the farm required to be devoted to con-

servation uses in accordance with subsection (e)(2)(D); and

"(II) the producers shall be eligible for payments under this paragraph with respect to such acreage.

"(ii) DEFICIENCY PAYMENTS.—Notwithstanding any other provision of this section, any producer who devotes a portion of the maximum payment acres for feed grains for the farm to conservation uses (or other uses as provided in subparagraph (F)) under this subparagraph shall receive deficiency payments on the acreage that is considered to be planted to feed grains and eligible for payments under this subparagraph for the crop at a per-bushel rate established by the Secretary, except that the rate may not be established at less than the projected deficiency payment rate for the crop, as determined by the Secretary. Such projected payment rate for the crop shall be announced by the Secretary prior to the period during which feed grain producers may agree to participate in the program for the crop.

"(iii) ADVERSE EFFECT ON AGRIBUSINESS AND OTHER INTERESTS.—The Secretary shall implement this subparagraph in such a manner as to minimize the adverse effect on agribusiness and other agriculturally related economic interests within any county, State, or region. In carrying out this subparagraph, the Secretary is authorized to restrict the total quantity of feed grain acreage that may be taken out of production under this subparagraph, taking into consideration the total quantity of acreage that has or will be removed from production under other price support, production adjustment, or conservation program activities. No restrictions on the quantity of acreage that may be taken out of production in accordance with this subparagraph in a crop year shall be imposed in the case of a county in which producers were eligible to receive disaster emergency loans under section 321 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961) as a result of a disaster that occurred during the crop year.

"(iv) CROP ACREAGE AND PAYMENT YIELD.—The feed grain crop acreage base and feed grain farm program payment yield of the farm shall not be reduced due to the fact that a portion of the permitted feed grain acreage of the farm was devoted to conserving uses (except as provided in subparagraph (F)) under this subparagraph.

"(v) LIMITATION.—Other than as provided in clauses (i) through (iv), payments may not be made under this paragraph for any crop on a greater acreage than the acreage actually planted to feed grains.

"(vi) CONSERVATION USE ACREAGE UNDER OTHER PROGRAMS.—Any acreage considered to be planted to feed grains in accordance with clauses (i) and (iv) may not also be designated as conservation use acreage for the

purpose of fulfilling any provisions under any acreage limitation or land diversion program requiring that the producers devote a specified acreage to conservation uses.

"(F) ALTERNATIVE CROPS.—

"(i) INDUSTRIAL AND OTHER CROPS.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of acreage otherwise required to be devoted to conservation uses as a condition of qualifying for payments under subparagraph (E) to be devoted to sweet sorghum, guar, sesame, castor beans, crambe, plantago ovato, triticale, rye, mung beans, commodities for which no substantial domestic production or market exists but that could yield industrial raw material being imported, or likely to be imported, into the United States, or commodities grown for experimental purposes (including kenaf and milkweed), subject to the following sentence. The Secretary may permit the acreage to be devoted to the production only if the Secretary determines that—

"(I) the production is not likely to increase the cost of the price support program and will not affect farm income adversely; and

"(II) the production is needed to provide an adequate supply of the commodity, or, in the case of commodities for which no substantial domestic production or market exists but that could yield industrial raw materials, the production is needed to encourage domestic manufacture of the raw material and could lead to increased industrial use of the raw material to the long-term benefit of United States industry.

"(ii) OILSEEDS.—The Secretary shall permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of acreage otherwise required to be devoted to conservation uses as a condition of qualifying for payments under subparagraph (E) to be devoted to sunflowers, rapeseed, canola, safflower, flaxseed, mustard seed, and other minor oilseeds designated by the Secretary (excluding soybeans). In implementing this clause, the Secretary shall provide that, in order to receive payments under subparagraph (E), the producers shall agree to forgo eligibility to receive a loan under section 205 for the crop of any such oilseed produced on the farm.

"(G) REDUCTION FOR DISASTER PAYMENTS.—The total quantity of feed grains on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (2).

"(2) DISASTER PAYMENTS.—

"(A) PREVENTED PLANTING.—Except as provided in subparagraph (C), if the Secretary determines that the produc-

ers on a farm are prevented from planting any portion of the acreage intended for feed grains to feed grains or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers in an amount equal to the product obtained by multiplying—

"(i) the number of acres so affected but not to exceed the acreage planted to feed grains for harvest (including any acreage that the producers were prevented from planting to feed grains or other nonconserving crops in lieu of feed grains because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year; by

"(ii) 75 percent of the farm program payment yield established for the farm by the Secretary; by

"(iii) a payment rate equal to 33⅓ percent of the established price for the crop.

"(B) REDUCED YIELDS.—Except as provided in subparagraph (C), if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of feed grains that the producers are able to harvest on any farm is less than the result of multiplying 60 percent of the farm program payment yield established by the Secretary for the crop by the acreage planted for harvest for the crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 50 percent of the established price for the crop for the deficiency in production below 60 percent for the crop.

"(C) CROP INSURANCE.—Producers on a farm shall not be eligible for—

"(i) prevented planting disaster payments under subparagraph (A), if prevented planting crop insurance is available to the producers under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) with respect to the feed grain acreage of the producers; or

"(ii) reduced yield disaster payments under subparagraph (B), if reduced yield crop insurance is available to the producers under such Act with respect to the feed grain acreage of the producers.

"(D) ADMINISTRATION.—

"(i) ECONOMIC EMERGENCIES.—Notwithstanding subparagraph (C), the Secretary may make a disaster payment to the producers on a farm under this paragraph if the Secretary determines that—

"(I) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the producers have suffered substantial losses of production either from being prevented from planting feed grains or other nonconserving crops or from reduced yields;

"(II) the losses have created an economic emergency for the producers;

"(III) crop insurance indemnity payments under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) and other forms of assistance made available by the Federal Government to the producers for the losses are insufficient to alleviate the economic emergency; and

"(IV) additional assistance must be made available to the producers to alleviate the economic emergency.

"(ii) ADJUSTMENTS.—The Secretary may make such adjustments in the amount of payments made available under this paragraph with respect to an individual farm as necessary to ensure the equitable allotment of the payments among producers, taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(d) PAYMENT YIELDS.—The farm program payment yields for farms for each crop of feed grains shall be determined under title V.

"(e) ACREAGE REDUCTION PROGRAMS.—

"(1) IN GENERAL.—

"(A) ESTABLISHMENT.—Notwithstanding any other provision of this Act, if the Secretary determines that the total supply of corn, grain sorghum, barley, or oats, in the absence of an acreage limitation program, will be excessive taking into account the need for an adequate carry-over to maintain reasonable and stable supplies and prices and to meet a national emergency, the Secretary may provide for any crop of corn, grain sorghum, barley, or oats an acreage limitation program as described in paragraph (2).

"(B) AGRICULTURAL RESOURCES CONSERVATION PROGRAM.—In making a determination under subparagraph (A), the Secretary shall take into consideration the number of acres placed in the agricultural resources conservation program established under subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.).

"(C) ANNOUNCEMENTS.—If the Secretary elects to implement an acreage limitation program for any crop year, the Secretary shall announce the program not later than September 30 prior to the calendar year in which the crop is harvested, except that in the case of the 1991 crop, the Secretary shall announce the program as soon as practicable after the date of enactment of this section.

"(D) ADJUSTMENTS.—Not later than November 15 of the year previous to the year in which the crop is harvested, the Secretary may make adjustments in the program announced under subparagraph (C) if the Secretary determines that there has been a significant change in the total supply of feed grains since the program was first announced.

"(E) COMPLIANCE.—As a condition of eligibility for loans, purchases, and payments for any such crop of feed grains, except as provided in subsections (f) and (g) and section 504, the producers on a farm must comply with the terms and conditions of the acreage limitation program and, if appli-

cable, a land diversion program as provided in paragraph (5).

"(F) ACREAGE LIMITATION PROGRAM FOR 1991 CROP.—In the case of the 1991 crop of corn, the Secretary shall provide for an acreage limitation program (as described in paragraph (2)) as provided in subparagraph (G).

"(G) ACREAGE LIMITATION PROGRAMS FOR 1992 THROUGH 1995 CROPS.—In the case of each of the 1992 through 1995 crops of corn, if the Secretary estimates for a marketing year for the crop that the ratio of ending stocks of corn to total disappearance of corn for the preceding marketing year will be—

"(i) more than 25 percent, the Secretary shall provide for an acreage limitation program (as described in paragraph (2)) under which the acreage planted to corn for harvest on a farm would be limited to the corn crop acreage base for the farm for the crop reduced by not less than 10 percent nor more than 20 percent; or

"(ii) equal to or less than 25 percent, the Secretary may provide for such an acreage limitation program under which the acreage planted to corn for harvest on a farm would be limited to the corn crop acreage base for the farm for the crop reduced by not more than 0 to 12.5 percent.

For the purpose of this subparagraph, the term 'total disappearance' means all corn utilization, including total domestic, total export, and total residual disappearance.

"(H) ACREAGE LIMITATION PROGRAM FOR 1991 THROUGH 1995 CROPS OF OATS.—In the case of each of the 1991 through 1995 crops of oats, the Secretary shall provide for an acreage limitation program (as described in paragraph (2)) under which the acreage planted to oats for harvest on a farm would be limited to the oat crop acreage base for the farm for the crop reduced by not more than 0 percent.

"(2) ACREAGE LIMITATION PROGRAM.—

"(A) PERCENTAGE REDUCTIONS.—Except as provided in paragraph (3), if a feed grain acreage limitation program is announced under paragraph (1), such limitation shall be achieved by applying a uniform percentage reduction (from 0 to 20 percent) to the crop acreage base for corn, grain sorghum, barley, or oats, respectively, for each feed grain-producing farm.

"(B) COMPLIANCE.—Except as provided in subsection (g) and section 504, producers who knowingly produce a feed grain in excess of the respective permitted feed grain acreage for the farm shall be ineligible for feed grain loans, purchases, and payments with respect to that farm.

"(C) CROP ACREAGE BASES.—Feed grain crop acreage bases for each crop of feed grains shall be determined under title V.

"(D) ACREAGE DEVOTED TO CONSERVATION USES.—A number of acres on the farm shall be devoted to conservation uses, in accordance with regulations issued by the Secretary. Such number shall be determined by multiplying

the respective feed grain crop acreage base by the percentage reduction required by the Secretary. The number of acres so determined is hereafter in this subsection referred to as 'reduced acreage'. The remaining acreage is hereafter in this subsection referred to as 'permitted acreage'. Permitted acreage may be adjusted by the Secretary as provided in paragraph (3) and in section 504.

"(E) INDIVIDUAL FARM PROGRAM ACREAGE.—Except as otherwise provided in subsection (c), the individual farm program acreage shall be the acreage planted on the farm to feed grains for harvest within the permitted feed grain acreage for the farm as established under this paragraph.

"(F) PLANTING DESIGNATED CROPS ON REDUCED ACREAGE.—

"(i) DEFINITION OF DESIGNATED CROP.—As used in this subparagraph, the term 'designated crop' means a crop defined in section 504(b)(1), excluding any program crop as defined in section 502(3).

"(ii) IN GENERAL.—Subject to clause (iii), the Secretary may permit producers on a farm to plant a designated crop on no more than one-half of the reduced acreage on the farm.

"(iii) LIMITATIONS.—If the producers on a farm elect to plant a designated crop on reduced acreage under this subparagraph—

"(I) the amount of the deficiency payment that the producers are otherwise eligible to receive under subsection (c) shall be reduced, for each acre (or portion thereof) that is planted to the designated crop, by an amount equal to the deficiency payment that would be made with respect to a number of acres of the crop that the Secretary considers appropriate, except that if the producers on the farm are participating in a program established for more than one program crop, the amount of the reduction shall be determined by prorating the reduction based on the acreage planted or considered planted on the farm to all of such program crops; and

"(II) the Secretary shall ensure that reductions in deficiency payments under subclause (I) are sufficient to ensure that this subparagraph will result in no additional cost to the Commodity Credit Corporation.

"(G) EXCEPTION FOR MALTING BARLEY.—The Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for feed grain loans, purchases, and payments to comply with any acreage limitation under this paragraph if the producer has previously produced a malting variety of barley for harvest, plants barley only of an acceptable malting variety for harvest, and meets such other conditions as the Secretary may prescribe.

"(3) TARGETED OPTION PAYMENTS.—

"(A) In general.—Notwithstanding any other provision of this section, if the Secretary implements an acreage limitation program with respect to any of the 1991 through 1995 crops of feed grains, the Secretary may make available to producers on a farm who do not receive payments under subsection (c)(1)(E) for such crop on the farm, adjustments in the level of deficiency payments that would otherwise be made available to the producers if the producers exercise the payment options provided in this paragraph.

"(B) Payment options.—If the Secretary elects to carry out this paragraph, the Secretary shall make the payment options specified in subparagraphs (C) and (D) available to producers who agree to make adjustments in the quantity of acreage diverted from the production of feed grains under an acreage limitation program in accordance with this paragraph.

"(C) Increased acreage limitation option.—

"(i) Increase in established price.—If the Secretary elects to carry out this paragraph, a producer shall be eligible to receive an increase in the established price for corn under clause (ii) if the producer agrees to an increase in the acreage limitation percentage to be applied to the producers' corn acreage base above the acreage limitation percentage announced by the Secretary.

"(ii) Method of calculation.—For the purposes of calculating deficiency payments to be made available to producers who participate in the program under this paragraph, the Secretary shall increase the established price for corn by an amount determined by the Secretary, but not less than 0.5 percent, nor more than 1 percent, for each 1 percentage point increase in the acreage limitation percentage applied to the producers' corn acreage base.

"(iii) Limitation.—The acreage limitation percentage to be applied to the producers' corn acreage base shall not be increased by more than 5 percentage points for the 1991 crop and 10 percentage points for each of the 1992 through 1995 crops above the acreage limitation percentage announced by the Secretary for the crop or above 20 percent total for the crop.

"(D) Decreased acreage limitation option.—

"(i) Decrease in acreage limitation requirement.—If the Secretary elects to carry out this paragraph, a producer shall be eligible to decrease the acreage limitation percentage applicable to the producers' corn acreage base (as announced by the Secretary) if the producer agrees to a decrease in the established price for corn under clause (ii) for the purpose of calculating deficiency payments to be made available to the producer.

"(ii) Method of calculation.—For the purposes of calculating deficiency payments to be made available to producers who choose the option set forth in this

subparagraph, the Secretary shall decrease the established price for corn by an amount to be determined by the Secretary, but not less than 0.5 percent, nor more than 1 percent, for each 1 percentage point decrease in the acreage limitation percentage applied to the producers' corn acreage base.

"(iii) LIMITATION.—A producer may not choose to decrease the acreage limitation percentage applicable to the producers' corn acreage base under this paragraph by more than one-half of the announced acreage limitation percentage.

"(E) OTHER FEED GRAINS.—The Secretary shall implement the program provided for by this paragraph for other feed grains similar to the manner in which the program is implemented for corn.

"(F) PARTICIPATION AND PRODUCTION EFFECTS.—Notwithstanding any other provision of this paragraph, the Secretary shall, to the extent practicable, ensure that the program provided for in this paragraph does not have a significant effect on program participation or total production and shall be offered in such a manner that the Secretary determines will result in no additional budget outlays. The Secretary shall provide an analysis of the Secretary's determination to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(4) ADMINISTRATION.—

"(A) PROTECTION FROM WEEDS AND EROSION.—The regulations issued by the Secretary under paragraph (2) with respect to acreage required to be devoted to conservation uses shall assure protection of the acreage from weeds and wind and water erosion.

"(B) ANNUAL OR PERENNIAL COVER.—

"(i) IN GENERAL.—Except as provided in paragraph (2), a producer who participates in an acreage reduction program established for a crop of feed grains under this subsection shall be required to plant to an annual or perennial cover 50 percent (or more, at the option of the producer) of the acreage that is required to be removed from the production of feed grains, but not to exceed 5 percent (or more, at the option of the producer) of the crop acreage base established for the crop. This requirement shall not apply with respect to arid areas (including summer fallow areas), as determined by the Secretary.

"(ii) MULTIYEAR PROGRAM.—

"(I) COST-SHARE ASSISTANCE.—If a producer elects to establish a perennial cover capable of improving water quality or wildlife habitat on the acreage, the Commodity Credit Corporation shall make available cost-share assistance for 25 percent of the approved cost of establishing the cover on not more than 50 percent of the acreage that is required to be diverted from production, but not to

exceed 5 percent (or more, at the option of the producer) of the crop acreage base established for a crop.

"(II) AGREEMENT OF PRODUCER.—If a producer elects to establish a perennial cover on the acreage under this subparagraph and receives cost-share assistance from the Corporation with respect to the cover, the producer, under such terms and conditions as may be prescribed by the Secretary, taking into consideration guidelines established by the State technical committees established in subtitle G of title XII of the Food Security Act of 1985, shall agree to maintain the perennial cover for a minimum of 3 years.

"(iii) CONSERVING CROPS.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the acreage to be devoted to sweet sorghum, guar, sesame, castor beans, crambe, plantago ovato, triticale, rye, mung beans, milkweed, or other commodity, if the Secretary determines that the production is needed to provide an adequate supply of the commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely.

"(C) HAYING AND GRAZING.—

"(i) IN GENERAL.—Except as provided in clause (ii), haying and grazing of reduced acreage, acreage devoted to a conservation use under subsection (c)(1)(E), and acreage diverted from production under a land diversion program established under this section shall be permitted, except during any consecutive 5-month period that is established by the State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) for a State. The 5-month period shall be established during the period beginning April 1, and ending October 31, of a year.

"(ii) NATURAL DISASTERS.—In the case of a natural disaster, the Secretary may permit unlimited haying and grazing on the acreage. The Secretary may not exclude irrigated or irrigable acreage not planted in alfalfa when exercising the authority under this clause.

"(D) WATER STORAGE USES.—

"(i) IN GENERAL.—The regulations issued by the Secretary under paragraph (2) with respect to acreage required to be devoted to conservation uses shall provide that land that has been converted to water storage uses shall be considered to be devoted to conservation uses if the land was devoted to wheat, feed grains, cotton, rice, or oilseeds in at least 3 of the immediately preceding 5 years. The land shall be considered to be devoted to conservation uses for the period that the land remains in water storage uses, but not to exceed 5 years subsequent to its conversion to water storage uses.

"(ii) LIMITATIONS.—Land converted to water storage uses for the purposes of this subparagraph may not be devoted to any commercial use, including commercial fish production. The water stored on the land may not be ground water. The farm on which the land is located must have been irrigated with ground water during at least 1 of the preceding 5 crop years.

"(E) SUMMER FALLOW.—In determining the quantity of land to be devoted to conservation uses under an acreage limitation program with respect to land that has been farmed under summer fallow practices, as defined by the Secretary, the Secretary shall consider the effects of soil erosion and such other factors as the Secretary considers appropriate.

"(5) LAND DIVERSION PAYMENTS.—

"(A) IN GENERAL.—The Secretary may make land diversion payments to producers of feed grains, whether or not an acreage limitation program for feed grains is in effect, if the Secretary determines that the land diversion payments are necessary to assist in adjusting the total national acreage of feed grains to desirable goals. The land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with the producers.

"(B) AMOUNTS.—The amounts payable to producers under land diversion contracts may be determined through the submission of bids for the contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted.

"(C) LIMITATION ON DIVERTED ACREAGE.—The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(6) CONSERVATION PRACTICES.—

"(A) WILDLIFE FOOD PLOTS OR HABITAT.—The reduced acreage and additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of this subparagraph.

"(B) SOIL AND WATER CONSERVATION PRACTICES.—The Secretary may also pay an appropriate share of the cost of approved soil and water conservation practices (including practices that may be effective for a number of years) established by the producer on acreage required to be devoted to conservation uses or on additional diverted acreage.

"(C) Public accessibility.—The Secretary may provide for an additional payment on the acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(7) Participation agreements.—

"(A) In general.—Producers on a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for the participation not later than such date as the Secretary may prescribe.

"(B) Modification or termination.—The Secretary may, by mutual agreement with producers on a farm, modify or terminate any such agreement if the Secretary determines the action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities. The Secretary may modify the agreement under this subparagraph for the purpose of alleviating a shortage in the supply of agricultural commodities only if there has been a significant change in the estimated stocks of the commodity since the Secretary announced the final terms and conditions of the program for the crop of feed grains.

"(8) Special oats plantings.—In any crop year that the Secretary determines that projected domestic production of oats will not fulfill the projected domestic demand for oats, notwithstanding the foregoing provisions of this subsection, the Secretary—

"(A) may provide that any reduced acreage may be planted to oats for harvest;

"(B) may make program benefits (including loans, purchases, and payments) available under the annual program for oats under this section available to producers with respect to acreage planted to oats under this paragraph; and

"(C) shall not make program benefits other than the benefits specified in subparagraph (B) available to producers with respect to acreage planted to oats under this paragraph.

"(f) Inventory Reduction Payments.—

"(1) In general.—The Secretary may, for each of the 1991 through 1995 crops of feed grains, make payments available to producers who meet the requirements of this subsection.

"(2) Form.—The payments may be made in the form of marketing certificates.

"(3) Payments.—Payments under this subsection shall be determined in the same manner as provided in subsection (b).

"(4) Eligibility.—A producer shall be eligible to receive a payment under this subsection for a crop if the producer—

"(A) agrees to forgo obtaining a loan or purchase agreement under subsection (a);

"(B) agrees to forgo receiving payments under subsection (c);

"(C) does not plant feed grains for harvest in excess of the crop acreage base reduced by one-half of any acreage required to be diverted from production under subsection (e); and

"(D) otherwise complies with this section.

"(g) Pilot Voluntary Production Limitation Program.—

"(1) In general.—Effective for the 1992 or 1993 crops (and, if the Secretary so determines, the 1994 and 1995 crops), if a feed grain acreage limitation program or a land diversion program is announced under subsection (d) for such crops, the Secretary shall carry out a pilot program in at least 15 counties in at least 2 States where producers express an interest in participating in the pilot program under which the producers on a farm shall be considered to have met the requirements of such acreage limitation or land diversion program if the producers meet the requirements of the voluntary production limitation program established under this subsection.

"(2) Limitation on marketing.—In order to comply with the voluntary production limitation program, the producers on a farm must agree not to market, barter, donate, or use on the farm (including use as feed for livestock) in a marketing year a quantity of feed grains in excess of the feed grain production limitation quantity for the farm for the marketing year.

"(3) Production limitation quantity.—For purposes of this subsection, the production limitation quantity for a farm for a marketing year for a crop shall equal the product obtained by multiplying—

"(A) the acreage permitted to be planted to feed grains under the acreage reduction program or land diversion program in effect for the crop for the farm; by

"(B) the higher of—

"(i) the farm program payment yield for the farm; or

"(ii) the average of the yield per harvested acre for feed grains for the farm for each of the 5 crop years immediately preceding the crop year during which the producers first participate in the program established under this subsection, excluding the crop years with the highest and lowest yield per harvested acre and any crop year in which the commodity was not planted on the farm.

"(4) Terms and conditions.—Producers on a farm who elect to participate in the program established under this subsection for a crop of feed grains shall—

"(A) enter into an agreement with the Secretary providing that the producers shall comply with the program for the crop;

"(B) not plant program commodities for harvest in a quantity in excess of the sum of the crop acreage bases for the farm; and

"(C) be considered to have complied with the terms and conditions of the feed grain acreage reduction program or land diversion program for the crop, even though the acre-

age planted to feed grains on the farm exceeds the permitted acreage provided under the acreage reduction or land diversion program.

"(5) EXCESS PRODUCTION.—

"(A) IN GENERAL.—Any quantity of feed grains produced in a crop year on a farm in excess of the production limitation quantity for the farm may be stored by the producers for a period of not to exceed 5 marketing years and may be used only in accordance with this paragraph.

"(B) MARKETING IN SUBSEQUENT YEAR.—

"(i) PARTICIPANTS IN PROGRAM.—Producers on a farm who are participating in the program established under this subsection may market, barter, or use a quantity of the excess feed grains referred to in subparagraph (A) equal to the difference between the production limitation quantity for the farm for the crop year subsequent to the crop year in which the excess feed grains are produced less the quantity of feed grains produced on the farm during the crop year.

"(ii) PARTICIPANTS IN ACREAGE REDUCTION PROGRAM.—Producers on a farm who are participating in an acreage reduction or a land diversion program for a crop of feed grains may market, barter, or use a quantity of the excess feed grains referred to in subparagraph (A) in an amount that reflects the quantity of feed grains that would be expected to be produced on acreage that the producers agree to devote to approved conservation uses (in excess of any acreage reduction or land diversion requirements) during a crop year, as determined by the Secretary.

"(6) DUTIES OF SECRETARY.—In carrying out the pilot program established under this subsection, the Secretary—

"(A) shall issue such regulations as are necessary to carry out the program;

"(B) may require increased acreage reduction or land diversion requirements with respect to producers who have had excess feed grain production in order to allow the producers to market, barter, or use the production in subsequent years;

"(C) shall take appropriate measures designed to prevent the circumvention of the program established under this subsection, including the imposition of penalties;

"(D) may require producers who participate in the program for a crop, but who fail to comply with the terms and conditions of the program, to refund all or a part of any deficiency payments received with respect to the crop;

"(E) may require the forfeiture to the Commodity Credit Corporation of any feed grains that is produced in excess of the production limitation quantity and that is not marketed, bartered, or used within 5 marketing years; and

"(F) shall ensure equitable treatment for producers who participate in the pilot program if the Secretary allows increases (based on actual production levels) in the determi-

nation of farm program payment yields for feed grains for the farm.

"(7) Report.—

"(A) In general.—The Comptroller General of the United States shall prepare a report that evaluates the pilot program carried out under this subsection.

"(B) Submission.—The Comptroller General shall submit a copy of the report required by subparagraph (A) to the Committee on Agriculture of the House of Representatives, the Committee on Agriculture, Nutrition, and Forestry of the Senate, and the Secretary.

"(h) Equitable Relief.—

"(1) Loans, purchases, and payments.—If the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure. The Secretary may consider whether the producer made a good faith effort to comply fully with the terms and conditions of such program in determining whether equitable relief is warranted under this paragraph.

"(2) Deadlines and program requirements.—The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

"(i) Regulations.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

"(j) Commodity Credit Corporation.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(k) Assignment of Payments.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to payments under this section.

"(l) Sharing of Payments.—The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

"(m) Tenants and Sharecroppers.—The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(n) Cross-Compliance.—

"(1) In general.—Compliance on a farm with the terms and conditions of any other commodity program, or compliance with crop acreage base requirements for any other commodity, may not be required as a condition of eligibility for loans, purchases, or payments under this section.

"(2) Compliance on other farms.—The Secretary may not require producers on a farm, as a condition of eligibility for loans, purchases, or payments under this section for the farm,

to comply with the terms and conditions of the feed grains program with respect to any other farm operated by the producers.

"(o) PUBLIC COMMENT ON FEED GRAINS PROGRAM.—

"(1) IN GENERAL.—In order to ensure that producers and consumers of feed grains are provided with reasonable opportunity to comment on the annual program determinations concerning the price support and acreage reduction program for each of the 1992 and subsequent crops of feed grains, the Secretary shall request public comment regarding the feed grains program in accordance with this subsection.

"(2) OPTIONS.—Not less than 60 days before the program is announced for a crop of feed grains under this section, the Secretary shall propose for public comment various program options for the crop of feed grains.

"(3) ANALYSES.—Each option proposed by the Secretary shall be accompanied by an analysis that includes the estimated planted acreage, production, domestic and export use, ending stocks, season average producer price, program participation rate, and cost to the Federal Government that would likely result from each option.

"(4) ESTIMATES.—In announcing the program for a crop of feed grains under this section, the Secretary shall include an estimate of the planted acreage, production, domestic and export use, ending stocks, season average producer price, program participation rate, and cost to the Federal Government that is expected to result from the program as announced.

"(p) MALTING BARLEY.—In order to help offset costs associated with deficiency payments made available under this section to producers of barley, the Secretary shall provide for an assessment for each of the 1991 through 1995 crop years to be levied on producers of malting barley that are participating in the production adjustment program under this section. The Secretary shall establish such assessment at no more than 5 percent of the value of malting barley produced on the farm during each of the 1991 through 1995 crop years.

"(q) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1991 through 1995 crops of feed grains.".

SEC. 402. NONAPPLICABILITY OF SECTION 105 OF THE AGRICULTURAL ACT OF 1949 TO THE 1991 THROUGH 1995 CROPS OF FEED GRAINS.

Section 105 of the Agricultural Act of 1949 (7 U.S.C. 1444b) shall not be applicable to the 1991 through 1995 crops of feed grains.

SEC. 403. RECOURSE LOAN PROGRAM FOR SILAGE.

Section 403 of the Food Security Act of 1985 (7 U.S.C. 1444e–1) is amended by striking "1990" and inserting "1996".

SEC. 404. PRICE SUPPORT FOR HIGH MOISTURE FEED GRAINS.

(a) RECOURSE LOANS.—Notwithstanding any other provision of law, effective for each of the 1991 through 1995 crops of feed grains, the Secretary of Agriculture shall make available recourse loans as determined by the Secretary, as provided in this section, to producers on a farm who—

(1) normally harvest all or a portion of their crop of feed grains in a high moisture state (hereafter defined as a feed

grain having a moisture content in excess of Commodity Credit Corporation standards for loans made by the Secretary under paragraphs (1) and (6) of section 105B of the Agricultural Act of 1949 (as added by section 401 of this Act);

(2)(A) present certified scale tickets from an inspected, certified commercial scale, including licensed warehouses, feedlots, feed mills, distilleries, or other similar entities approved by the Secretary, pursuant to regulations issued by the Secretary; or

(B) present field or other physical measurements of the standing or stored feed grain crop in regions of the country, as determined by the Secretary, that do not have certified commercial scales from which certified scale tickets may be obtained within reasonable proximity of harvest operation;

(3) certify that they were the owners of the feed grain at the time of delivery to, and that the quantity to be placed under loan was in fact harvested on the farm and delivered to, a feedlot, feed mill, or commercial or on-farm high-moisture storage facility, or to such facilities maintained by the users of such high-moisture feed grain;

(4) comply with deadlines established by the Secretary for harvesting the feed grain and submit applications for loans within deadlines established by the Secretary; and

(5) participate in an acreage limitation program for the crop of feed grains established by the Secretary.

(b) Eligibility of Acquired Feed Grains.—The loans shall be made on a quantity of feed grains of the same crop acquired by the producer equivalent to a quantity determined by multiplying—

(1) the acreage of the feed grain in a high moisture state harvested on the producer's farm; by

(2) the lower of the farm program payment yield or the actual yield on a field, as determined by the Secretary, that is similar to the field from which such high moisture feed grain was obtained.

SEC. 405. CALCULATION OF REFUNDS OF ADVANCE ESTABLISHED PRICE PAYMENTS BY PRODUCERS OF THE 1988 OR 1989 CROPS OF FEED BARLEY.

(a) Mandatory Calculation of Refund.—

(1) In general.—Not later than 90 days after the date of enactment of this Act, the Secretary of Agriculture shall calculate, for informational purposes only (except as provided in the discretionary authority under subsection (b)), the amount of the refund of any advance deficiency payment a producer of barley who participated in the 1988 or 1989 Federal barley price support program would be required to make pursuant to section 107C of the Agricultural Act of 1949 (7 U.S.C. 1445b–2) (as it existed immediately before the date of enactment of this Act) based on a formula which excludes malting barley from the market price calculations of barley used to determine the amount of refund of the advance deficiency payment required of the producer.

(2) Disclosure.—

(A) To the public.—The Secretary shall publish in the Federal Register—

(i) the formula used to perform the calculations described in paragraph (1);

(ii) the aggregate results that the use of the calculation would have pursuant to subsection (b), in terms of—

(I) the total reduction in the amount of refunds;

(II) the number of producers affected; and

(III) any other information the Secretary determines appropriate;

(iii) a declaration of the Secretary's decision whether to use the calculation to recalculate barley producer's refunds pursuant to subsection (b); and

(iv) a statement of the Secretary's reasons for the decision described in clause (iii).

(B) TO PRODUCERS.—The Secretary shall make available to each producer of 1988 or 1989 crop barley, on request, a statement detailing the effect of the calculation of refunds described in paragraph (1) on the producer's 1988 or 1989 refund.

(b) DISCRETIONARY USE OF CALCULATION.—

(1) IN GENERAL.—The Secretary may use the calculation described in subsection (a) to determine whether or not to reduce the total refund owed by a producer of 1988 or 1989 crop barley under section 107C of the Agricultural Act of 1949 (as it existed immediately before the date of enactment of this Act).

(2) PROCEDURE FOR USE OF CALCULATION.—If the Secretary decides to use the calculation described in subsection (a) as provided under paragraph (1), in the case of a producer of 1988 or 1989 crop barley who paid the refund of the advance deficiency payment for the crop calculated prior to the date of enactment of this Act (or any amount of refund in excess of the amount of the refund determined in accordance with paragraph (1)), the Secretary—

(i) shall, before May 31, 1991, reimburse the producer the amount of refund paid by the producer in excess of the refund determined in accordance with this section;

(ii) shall have the option to make the reimbursement in a lump sum or in installments;

(iii) shall, not later than 90 days after the date of enactment of this Act, notify producers who are eligible to receive the reimbursement of their 1988 or 1989 advance deficiency payment refund under this section—

(I) of the timing of the payment of the reimbursement (either in lump sum or in installments);

(II) that the amount of the reimbursement shall not bear interest if paid before February 15, 1991; and

(III) that the amount of the reimbursement paid after February 15, 1991, shall bear interest at a rate of at least 7 percent per annum; and

(iv) may elect to pay the reimbursement in a lump sum with generic certificates redeemable for commodities owned by the Commodity Credit Corporation if the reimbursement is paid in full not later than 60 days after the date of enactment of this Act.

TITLE V—COTTON

SEC. 501. LOANS, PAYMENTS, AND ACREAGE REDUCTION PROGRAMS FOR THE 1991 THROUGH 1995 CROPS OF UPLAND COTTON.

The Agricultural Act of 1949 is amended by inserting after section 103A (7 U.S.C. 1444-1) the following new section:

"SEC. 103B. LOANS, PAYMENTS, AND ACREAGE REDUCTION PROGRAMS FOR THE 1991 THROUGH 1995 CROPS OF UPLAND COTTON.

"(a) LOANS.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the Secretary shall, on presentation of warehouse receipts or other acceptable evidence of title, as determined by the Secretary, reflecting accrued storage charges of not more than 60 days, make available for the 1991 through 1995 crops of upland cotton to producers on a farm nonrecourse loans for upland cotton produced on the farm for a term of 10 months from the first day of the month in which the loan is made at such loan level, per pound, as will reflect for the base quality of upland cotton, as determined by the Secretary, at average location in the United States a level that is not less than the smaller of—

"(A) 85 percent of the average price (weighted by market and month) of the base quality of cotton as quoted in the designated United States spot markets during 3 years of the 5-year period ending July 31 in the year in which the loan level is announced, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; or

"(B) 90 percent of the average, for the 15-week period beginning July 1 of the year in which the loan level is announced, of the 5 lowest-priced growths of the growths quoted for Middling one and three-thirty-seconds inch cotton C.I.F. Northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year in which the loan is announced between the average Northern European price quotation of such quality of cotton and the market quotations in the designated United States spot markets for the base quality of upland cotton, as determined by the Secretary.

"(2) ADJUSTMENTS TO LOAN LEVEL.—

"(A) LIMITATION ON DECREASE IN LOAN LEVEL.—The loan level for any crop determined under paragraph (1) may not be reduced by more than 5 percent from the level determined for the preceding crop, and may not be reduced below 50 cents per pound.

"(B) LIMITATION ON INCREASE IN LOAN LEVEL.—If for any crop the average Northern European price determined under paragraph (1)(B) is less than the average United States spot market price determined under paragraph (1)(A), the Secretary may increase the loan level to such level as the Secretary may consider appropriate, not in excess of the average United States spot market price determined under paragraph (1)(A).

"(3) ANNOUNCEMENT OF LOAN LEVEL.—*The loan level for any crop of upland cotton shall be determined and announced by the Secretary not later than November 1 of the calendar year preceding the marketing year for which the loan is to be effective or, in the case of the 1991 crop, as soon as is practicable after the date of enactment of this Act. The loan level shall not thereafter be changed.*

"(4) EXTENSION OF LOAN PERIOD.—

"(A) IN GENERAL.—*Except as provided in subparagraph (B), nonrecourse loans provided for in this section shall, on request of the producer during the 10th month of the loan period for the cotton, be made available for an additional term of 8 months.*

"(B) LIMITATION.—*A request to extend the loan period shall not be approved in any month in which the average price of the base quality of upland cotton, as determined by the Secretary, in the designated spot markets for the preceding month exceeded 130 percent of the average price of such base quality of cotton in the designated United States spot markets for the preceding 36-month period.*

"(5) MARKETING LOAN PROVISIONS.—

"(A) IN GENERAL.—*If the Secretary determines that the prevailing world market price for upland cotton (adjusted to United States quality and location) is below the loan level determined under the foregoing provisions of this subsection, in order to make United States upland cotton competitive in world markets, the Secretary shall permit a producer to repay a loan made for any crop at—*

"(i) a level that is the lesser of—

"(I) the loan level determined for the crop; or

"(II) the higher of—

"(aa) the loan level determined for the crop multiplied by 70 percent; or

"(bb) the prevailing world market price for upland cotton (adjusted to United States quality and location), as determined by the Secretary; or

"(ii) such other level (not in excess of the loan level determined for the crop nor less than 70 percent of such loan level) that the Secretary determines will—

"(I) minimize potential loan forfeitures;

"(II) minimize the accumulation of cotton stocks by the Federal Government;

"(III) minimize the cost incurred by the Federal Government in storing cotton; and

"(IV) allow cotton produced in the United States to be marketed freely and competitively, both domestically and internationally.

"(B) FIRST HANDLER MARKETING CERTIFICATES.—

"(i) IN GENERAL.—*During the period beginning August 1, 1991, and ending July 31, 1996, if a program carried out under subparagraph (A) or subsection (b) fails to make United States upland cotton fully competitive in world markets and the prevailing world* *market price of upland cotton (adjusted to United States quality and location), as determined by the Secretary, is below the current loan repayment rate for upland cotton determined under subparagraph (A), to make United States upland cotton competitive in world markets and to maintain and expand domestic consumption and exports of upland cotton produced in the United States, the Secretary shall provide for the issuance of marketing certificates in accordance with this subparagraph.*

"(ii) PAYMENTS.—The Commodity Credit Corporation, under such regulations as the Secretary may prescribe, shall make payments, through the issuance of marketing certificates, to first handlers of cotton (persons regularly engaged in buying or selling upland cotton) who have entered into an agreement with the Commodity Credit Corporation to participate in the program established under this subparagraph. The payments shall be made in such monetary amounts and subject to such terms and conditions as the Secretary determines will make upland cotton produced in the United States available at competitive prices, consistent with the purposes of this subparagraph.

"(iii) VALUE.—The value of each certificate issued under clause (ii) shall be based on the difference between—

"(I) the loan repayment rate for upland cotton; and

"(II) the prevailing world market price of upland cotton (adjusted to United States quality and location), as determined by the Secretary.

"(iv) REDEMPTION, MARKETING, OR EXCHANGE.—The Commodity Credit Corporation, under regulations prescribed by the Secretary, may assist any person receiving marketing certificates under this subparagraph in the redemption of certificates for cash, or marketing or exchange of the certificates for agricultural commodities or products owned by the Commodity Credit Corporation, at such times, in such manner, and at such price levels as the Secretary determines will best effectuate the purposes of the program established under this subparagraph. Any price restrictions that may otherwise apply to the disposition of agricultural commodities by the Commodity Credit Corporation shall not apply to the redemption of certificates under this subparagraph.

"(v) DESIGNATION OF COMMODITIES AND PRODUCTS; CHARGES.—Insofar as practicable, the Secretary shall permit owners of certificates to designate the commodities and the products thereof, including storage sites thereof, the owners would prefer to receive in exchange for certificates. If any certificate is not presented for redemption, marketing, or exchange within a reasonable number of days after the issuance of the certificate (as

determined by the Secretary), reasonable costs of storage and other carrying charges, as determined by the Secretary, shall be deducted from the value of the certificate for the period beginning after the reasonable number of days and ending with the date of the presentation of the certificate to the Commodity Credit Corporation.

"(vi) DISPLACEMENT.—The Secretary shall take such measures as may be necessary to prevent the marketing or exchange of agricultural commodities and products for certificates under this subsection from adversely affecting the income of producers of the commodities or products.

"(vii) TRANSFERS.—Under regulations prescribed by the Secretary, certificates issued to cotton handlers under this subparagraph may be transferred to other handlers and persons approved by the Secretary.

"(C) PREVAILING WORLD MARKET PRICE.—

"(i) IN GENERAL.—The Secretary shall prescribe by regulation—

"(I) a formula to define the prevailing world market price for upland cotton (adjusted to United States quality and location); and

"(II) a mechanism by which the Secretary shall announce periodically the prevailing world market price for upland cotton (adjusted to United States quality and location).

"(ii) USE.—The prevailing world market price for upland cotton (adjusted to United States quality and location) established under this subparagraph shall be used under subparagraphs (A) and (B).

"(D) ADJUSTMENT OF PREVAILING WORLD MARKET PRICE.—

"(i) IN GENERAL.—During the period beginning August 1, 1991, and ending July 31, 1996, the prevailing world market price for upland cotton (adjusted to United States quality and location) established under subparagraph (C) shall be further adjusted if—

"(I) the adjusted prevailing world market price is less than 115 percent of the current crop year loan level for the base quality of upland cotton, as determined by the Secretary; and

"(II) the Friday through Thursday average price quotation for the lowest-priced United States growth as quoted for Middling (M) one and three-thirty seconds inch cotton delivered C.I.F. Northern Europe is greater than the Friday through Thursday average price of the five lowest-priced growths of upland cotton, as quoted for Middling (M) one and three-thirty seconds inch cotton, delivered C.I.F. Northern Europe (hereafter in this subsection referred to as the 'Northern Europe price').

"(ii) FURTHER ADJUSTMENT.—Except as provided in clause (iii), the adjusted prevailing world market price

shall be further adjusted on the basis of some or all of the following data, as available:

"(I) The United States share of world exports.

"(II) The current level of cotton export sales and cotton export shipments.

"(III) Other data determined by the Secretary to be relevant in establishing an accurate prevailing world market price for upland cotton (adjusted to United States quality and location).

"(iii) LIMITATION ON FURTHER ADJUSTMENT.—The adjustment under clause (ii) may not exceed the difference between—

"(I) the Friday through Thursday average price for the lowest-priced United States growth as quoted for Middling one and three-thirty seconds inch cotton delivered C.I.F. Northern Europe; and

"(II) the Northern Europe price.

"(E) COTTON USER MARKETING CERTIFICATES.—

"(i) ISSUANCE.—During the period beginning August 1, 1991, and ending July 31, 1996, if for any consecutive 4-week period, the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) one and three-thirty seconds inch cotton, delivered C.I.F. Northern Europe exceeds the Northern Europe price by more than 1.25 cents per pound, the Secretary shall issue marketing certificates to domestic users or exporters for documented sales made in the week following such consecutive 4-week period.

"(ii) VALUE.—The value of the marketing certificates shall be based on the amount of the difference (reduced by 1.25 cents per pound) in such prices during the 4th week of the consecutive 4-week period multiplied by the quantity of upland cotton included in the documented sales.

"(iii) ADMINISTRATION.—Clauses (iv) through (vii) of subparagraph (B) shall apply to marketing certificates issued under this subparagraph. Any such certificates may be transferred to other persons in accordance with regulations issued by the Secretary.

"(F) SPECIAL IMPORT QUOTA.—

"(i) ESTABLISHMENT.—The President shall, within 180 days after the date of enactment of this section, establish an import quota program which shall provide that, during the period beginning August 1991 and ending July 31, 1996, whenever the Secretary determines and announces that for any consecutive 10-week period, the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) one and three-thirty seconds inch cotton, delivered C.I.F. Northern Europe, adjusted for the value of any certificates issued under subparagraph (E), exceeds the Northern Europe price by more

than 1.25 cents per pound, there shall immediately be in effect a special limited global import quota.

“(ii) QUANTITY.—The quota shall be equal to 1 week’s consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the most recent 3 months for which data are available.

“(iii) APPLICATION.—The quota shall apply to upland cotton purchased not later than 90 days after the date of the Secretary’s announcement under clause (i) and entered into the United States not later than 180 days after such date.

“(iv) OVERLAP.—A special quota period may be established that overlaps any existing quota period if required by clause (i), except that a special quota period may not be established under this paragraph if a special quota period has been established under subsection (n).

“(6) RECOURSE LOANS FOR SEED COTTON.—In order to encourage and assist producers in the orderly ginning and marketing of their production of upland cotton, the Secretary shall make recourse loans available to such producers on seed cotton in accordance with authority vested in the Secretary under the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.).

“(b) LOAN DEFICIENCY PAYMENTS.—

“(1) IN GENERAL.—The Secretary shall, for each of the 1991 through 1995 crops of upland cotton, make payments (hereafter in this section referred to as ‘loan deficiency payments’) available to producers who, although eligible to obtain a loan under subsection (a), agree to forgo obtaining the loan in return for payments under this subsection.

“(2) COMPUTATION.—A payment under this subsection shall be computed by multiplying—

“(A) the loan payment rate; by

“(B) the quantity of upland cotton the producer is eligible to place under loan but for which the producer forgoes obtaining the loan in return for payments under this subsection.

“(3) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

“(A) the loan level determined for the crop under subsection (a); exceeds

“(B) the level at which a loan may be repaid under subsection (a).

“(4) MARKETING CERTIFICATES.—The Secretary may make up to one-half the amount of a payment under this subsection available in the form of marketing certificates, subject to the terms and conditions provided in subsection (a)(5)(B).

“(c) PAYMENTS.—

“(1) DEFICIENCY PAYMENTS.—

“(A) IN GENERAL.—The Secretary shall make available to producers payments (hereafter in this section referred to as ‘deficiency payments’) for each of the 1991 through 1995 crops of upland cotton in an amount computed by multiplying—

"(i) the payment rate; by

"(ii) the payment acres for the crop; by

"(iii) the farm program payment yield established for the crop for the farm.

"(B) PAYMENT RATE.—

"(i) IN GENERAL.—The payment rate for upland cotton shall be the amount by which the established price for the crop of upland cotton exceeds the higher of—

"(I) the national average market price received by producers during the calendar year that includes the first 5 months of the marketing year for the crop, as determined by the Secretary; or

"(II) the loan level determined for the crop.

"(ii) MINIMUM ESTABLISHED PRICE.—The established price for upland cotton shall not be less than $0.729 per pound for each of the 1991 through 1995 crops.

"(C) PAYMENT ACRES.—Payment acres for a crop shall be the lesser of—

"(i) the number of acres planted to the crop for harvest within the permitted acreage; or

"(ii) 100 percent of the crop acreage base for the crop for the farm less the quantity of reduced acreage (as determined under subsection (e)(2)(D)).

"(D) 50/92 PROGRAM.—

"(i) IN GENERAL.—If an acreage limitation program under subsection (e)(2) is in effect for a crop of upland cotton and the producers on a farm devote a portion of the maximum payment acres for upland cotton as calculated under subparagraph (C)(ii) of the farm equal to more than 8 percent of such upland cotton acreage of the farm for the crop to conservation uses (except as provided in subparagraph (E))—

"(I) such portion of the maximum payment acres in excess of 8 percent of such acreage devoted to conservation uses (except as provided in subparagraph (E)) shall be considered to be planted to upland cotton for the purpose of determining the acreage on the farm required to be devoted to conservation uses in accordance with subsection (e)(2)(D); and

"(II) the producers shall be eligible for payments under this paragraph with respect to such acreage, subject to the compliance of the producers with clause (ii).

"(ii) MINIMUM PLANTING REQUIREMENT.—To be eligible for payments under clause (i), except as provided in clauses (iv) and (v), the producers on a farm must actually plant upland cotton for harvest on at least 50 percent of the maximum payment acres for cotton for the farm.

"(iii) DEFICIENCY PAYMENTS.—Notwithstanding any other provision of this section, any producer who devotes a portion of the maximum payment acres for

upland cotton for the farm to conservation uses (or other uses as provided in subparagraph (E)) under this subparagraph shall receive deficiency payments on the acreage that is considered to be planted to upland cotton and eligible for payments under this subparagraph for the crop at a per-pound rate established by the Secretary, except that the rate may not be established at less than the projected deficiency payment rate for the crop, as determined by the Secretary. Such projected payment rate for the crop shall be announced by the Secretary prior to the period during which upland cotton producers may agree to participate in the program for the crop.

"(iv) QUARANTINES.—If a State or local agency has imposed in an area of a State or county a quarantine on the planting of upland cotton for harvest on farms in the area, the State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) may recommend to the Secretary that payments be made under this paragraph, without regard to the requirement imposed under clause (ii), to producers in the area who were required to forgo the planting of upland cotton for harvest on acreage to alleviate or eliminate the condition requiring the quarantine. If the Secretary determines that the condition exists, the Secretary may make payments under this paragraph to the producers. To be eligible for payments under this clause, the producers must devote the acreage to conservation uses (except as provided in subparagraph (E)).

"(v) PREVENTED PLANTING.—If an acreage limitation program under subsection (e) is in effect for any crop of upland cotton and if the Secretary determines that producers on a farm are prevented from planting the acreage intended for upland cotton to upland cotton because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make available to such producers payments under this subparagraph without regard to the requirement imposed under clause (ii). To be eligible for payments under this clause, the producers must devote the acreage to conservation uses (except as provided in subparagraph (E)). Any such acreage shall be considered to be planted to upland cotton.

"(vi) CROP ACREAGE AND PAYMENT YIELD.—The upland cotton crop acreage base and upland cotton farm program payment yield of the farm shall not be reduced due to the fact that a portion of the permitted cotton acreage of the farm was devoted to conserving uses (except as provided in subparagraph (E)) under this subparagraph.

"(vii) LIMITATION.—Other than as provided in clauses (i) through (vi), payments may not be made

under this paragraph for any crop on a greater acreage than the acreage actually planted to upland cotton.

"(viii) CONSERVATION USE ACREAGE UNDER OTHER PROGRAMS.—Any acreage considered to be planted to upland cotton in accordance with clauses (i) and (vi) may not also be designated as conservation use acreage for the purpose of fulfilling any provisions under any acreage limitation or land diversion program requiring that the producers devote a specified acreage to conservation uses.

"(E) ALTERNATIVE CROPS.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of acreage otherwise required to be devoted to conservation uses as a condition of qualifying for payments under subparagraph (D) to be devoted to sweet sorghum, guar, sesame, castor beans, crambe, plantago ovato, triticale, rye, mung beans, commodities for which no substantial domestic production or market exists but that could yield industrial raw material being imported, or likely to be imported, into the United States, or commodities grown for experimental purposes (including kenaf and milkweed), subject to the following sentence. The Secretary may permit the acreage to be devoted to the production only if the Secretary determines that—

"(i) the production is not likely to increase the cost of the price support program and will not affect farm income adversely; and

"(ii) the production is needed to provide an adequate supply of the commodity, or, in the case of commodities for which no substantial domestic production or market exists but that could yield industrial raw materials, the production is needed to encourage domestic manufacture of the raw material and could lead to increased industrial use of the raw material to the long-term benefit of United States industry.

"(F) REDUCTION FOR DISASTER PAYMENTS.—The total quantity of upland cotton on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (2).

"(2) DISASTER PAYMENTS.—

"(A) PREVENTED PLANTING.—Except as provided in subparagraph (C), if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for upland cotton to upland cotton or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers in an amount equal to the product obtained by multiplying—

"(i) the number of acres so affected but not to exceed the acreage planted to upland cotton for harvest (including any acreage that the producers were prevented

from planting to upland cotton or other nonconserving crops in lieu of upland cotton because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year; by

"(ii) 75 percent of the farm program payment yield established for the farm by the Secretary; by

"(iii) a payment rate equal to 33⅓ percent of the established price for the crop.

"(B) REDUCED YIELDS.—Except as provided in subparagraph (C), if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of upland cotton that the producers are able to harvest on any farm is less than the result of multiplying 75 percent of the farm program payment yield established by the Secretary for the crop by the acreage planted for harvest for the crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 33⅓ percent of the established price for the crop for the deficiency in production below 75 percent for the crop.

"(C) CROP INSURANCE.—Producers on a farm shall not be eligible for—

"(i) prevented planting disaster payments under subparagraph (A), if prevented planting crop insurance is available to the producers under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) with respect to the upland cotton acreage of the producers; or

"(ii) reduced yield disaster payments under subparagraph (B), if reduced yield crop insurance is available to the producers under such Act with respect to the upland cotton acreage of the producers.

"(D) ADMINISTRATION.—

"(i) ECONOMIC EMERGENCIES.—Notwithstanding subparagraph (C), the Secretary may make a disaster payment to the producers on a farm under this paragraph if the Secretary determines that—

"(I) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the producers have suffered substantial losses of production either from being prevented from planting upland cotton or other nonconserving crops or from reduced yields;

"(II) the losses have created an economic emergency for the producers;

"(III) crop insurance indemnity payments under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) and other forms of assistance made available by the Federal Government to the producers for the losses are insufficient to alleviate the economic emergency; and

"(IV) additional assistance must be made available to the producers to alleviate the economic emergency.

"(ii) Adjustments.—The Secretary may make such adjustments in the amount of payments made available under this paragraph with respect to an individual farm as necessary to ensure the equitable allotment of the payments among producers, taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(d) Payment Yields.—The farm program payment yields for farms for each crop of upland cotton shall be determined under title V.

"(e) Acreage Reduction Programs.—

"(1) In general.—

"(A) Establishment.—Notwithstanding any other provision of this Act, if the Secretary determines that the total supply of upland cotton, in the absence of an acreage limitation program, will be excessive taking into account the need for an adequate carry-over to maintain reasonable and stable supplies and prices and to meet a national emergency, the Secretary may provide for any crop of upland cotton an acreage limitation program as described in paragraph (2).

"(B) Agricultural resources conservation program.—In making a determination under subparagraph (A), the Secretary shall take into consideration the number of acres placed in the agricultural resources conservation program established under subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.).

"(C) Announcements.—

"(i) Preliminary announcement.—If the Secretary elects to implement an acreage limitation program for any crop year, the Secretary shall make a preliminary announcement of any such program not later than November 1 of the calendar year preceding the year in which the crop is harvested, except that in the case of the 1991 crop, the Secretary shall announce the program as soon as practicable after the date of enactment of this section. The announcement shall include, among other information determined necessary by the Secretary, an announcement of the uniform percentage reduction in the upland cotton crop acreage base described in paragraph (2)(A).

"(ii) Final announcement.—Not later than January 1 of the calendar year in which the crop is harvested, the Secretary shall make a final announcement of the program. The announcement shall include, among other information determined necessary by the Secretary, an announcement of the uniform percentage reduction in the upland cotton crop described in paragraph (2)(A).

"(iii) Optional programs in early planting areas.—The Secretary shall allow producers in early planting areas to elect to participate in the program on the terms of the acreage limitation program—

"(I) first announced for the crop under clause (i); or

"(II) as subsequently revised under clause (ii),

if the Secretary determines that the producers may be unfairly disadvantaged by the revision.

"(D) DESIRED CARRY-OVER.—The Secretary shall carry out an acreage limitation program described in paragraph (2) for a crop of upland cotton in a manner that will result in a ratio of carry-over to total disappearance of 30 percent, based on the Secretary's most recent projection of carry-over and total disappearance at the time of announcement of the acreage limitation program. For the purpose of this subparagraph, the term 'total disappearance' means all upland cotton utilization, including total domestic, total export, and total residual disappearance.

"(2) ACREAGE LIMITATION PROGRAM.—

"(A) UNIFORM PERCENTAGE REDUCTION.—Except as provided in paragraph (3), if an upland cotton acreage limitation program is announced under paragraph (1), the limitation shall be achieved by applying a uniform percentage reduction (from 0 to 25 percent) to the upland cotton crop acreage base for the crop for each upland cotton-producing farm.

"(B) COMPLIANCE.—Except as provided in section 504, producers who knowingly produce upland cotton in excess of the permitted upland cotton acreage for the farm, as established in accordance with subparagraph (A), shall be ineligible for upland cotton loans and payments with respect to that farm.

"(C) CROP ACREAGE BASES.—Upland cotton crop acreage bases for each crop of upland cotton shall be determined under title V.

"(D) ACREAGE DEVOTED TO CONSERVATION USES.—A number of acres on the farm shall be devoted to conservation uses, in accordance with regulations issued by the Secretary. Such number shall be determined by multiplying the upland cotton crop acreage base by the percentage reduction required by the Secretary. The number of acres so determined is hereafter in this subsection referred to as 'reduced acreage'. The remaining acreage is hereafter in this subsection referred to as 'permitted acreage'. Permitted acreage may be adjusted by the Secretary as provided in paragraph (3) and in section 504.

"(E) INDIVIDUAL FARM PROGRAM ACREAGE.—Except as otherwise provided in subsection (c), the individual farm program acreage shall be the acreage planted on the farm to upland cotton for harvest within the permitted upland cotton acreage for the farm as established under this paragraph.

"(F) PLANTING DESIGNATED CROPS ON REDUCED ACREAGE.—

"(i) DEFINITION OF DESIGNATED CROP.—As used in this subparagraph, the term 'designated crop' means a

crop defined in section 504(b)(1), excluding any program crop as defined in section 502(3).

"(ii) IN GENERAL.—Subject to clause (iii), the Secretary may permit producers on a farm to plant a designated crop on no more than one-half of the reduced acreage on the farm.

"(iii) LIMITATIONS.—If the producers on a farm elect to plant a designated crop on reduced acreage under this subparagraph—

"(I) the amount of the deficiency payment that the producers are otherwise eligible to receive under subsection (c) shall be reduced, for each acre (or portion thereof) that is planted to the designated crop, by an amount equal to the deficiency payment that would be made with respect to a number of acres of the crop that the Secretary considers appropriate, except that if the producers on the farm are participating in a program established for more than one program crop, the amount of the reduction shall be determined by prorating the reduction based on the acreage planted or considered planted on the farm to all of such program crops; and

"(II) the Secretary shall ensure that reductions in deficiency payments under subclause (I) are sufficient to ensure that this subparagraph will result in no additional cost to the Commodity Credit Corporation.

"(3) TARGETED OPTION PAYMENTS.—

"(A) IN GENERAL.—Notwithstanding any other provision of this section, if the Secretary implements an acreage limitation program with respect to any of the 1991 through 1995 crops of upland cotton, the Secretary may make available to producers on a farm who do not receive payments under subsection (c)(1)(D) for such crop on the farm, adjustments in the level of deficiency payments that would otherwise be made available to the producers if the producers exercise the payment options provided in this paragraph.

"(B) PAYMENT OPTIONS.—If the Secretary elects to carry out this paragraph, the Secretary shall make the payment options specified in subparagraphs (C) and (D) available to producers who agree to make adjustments in the quantity of acreage diverted from the production of upland cotton under an acreage limitation program in accordance with this paragraph.

"(C) INCREASED ACREAGE LIMITATION OPTION.—

"(i) INCREASE IN ESTABLISHED PRICE.—If the Secretary elects to carry out this paragraph, a producer shall be eligible to receive an increase in the established price for upland cotton under clause (ii) if the producer agrees to an increase in the acreage limitation percentage to be applied to the producers' upland cotton acreage base above the acreage limitation percentage announced by the Secretary.

"(ii) METHOD OF CALCULATION.—For the purposes of calculating deficiency payments to be made available to producers who participate in the program under this paragraph, the Secretary shall increase the established price for upland cotton by an amount determined by the Secretary, but not less than 0.5 percent, nor more than 1 percent, for each 1 percentage point increase in the acreage limitation percentage applied to the producers' upland cotton acreage base.

"(iii) LIMITATION.—The acreage limitation percentage to be applied to the producers' upland cotton acreage base shall not be increased by more than 10 percentage points above the acreage limitation percentage announced by the Secretary for the crop or above 25 percent total for the crop.

"(iv) ADJUSTMENT FOR UNDERPLANTINGS.—In determining the increased acreage limitation percentage that is applied to the producer's upland cotton base under this paragraph, the Secretary shall exclude an amount of acreage equal to the average difference between the producer's permitted upland cotton acreage and the acreage actually planted (including acreage devoted to conserving uses under subsection (c)(1)(D)) to upland cotton for harvest during the previous 2 years.

"(D) DECREASED ACREAGE LIMITATION OPTION.—

"(i) DECREASE IN ACREAGE LIMITATION REQUIREMENT.—If the Secretary elects to carry out this paragraph, a producer shall be eligible to decrease the acreage limitation percentage applicable to the producers' upland cotton acreage base (as announced by the Secretary) if the producer agrees to a decrease in the established price for upland cotton under clause (ii) for the purpose of calculating deficiency payments to be made available to the producer.

"(ii) METHOD OF CALCULATION.—For the purposes of calculating deficiency payments to be made available to producers who choose the option set forth in this subparagraph, the Secretary shall decrease the established price for upland cotton by an amount to be determined by the Secretary, but not less than 0.5 percent, nor more than 1 percent, for each 1 percentage point decrease in the acreage limitation percentage applied to the producers' upland cotton acreage base.

"(iii) LIMITATION.—A producer may not choose to decrease the acreage limitation percentage applicable to the producers' upland cotton acreage base under this paragraph by more than one-half of the announced acreage limitation percentage.

"(E) PARTICIPATION AND PRODUCTION EFFECTS.—Notwithstanding any other provision of this paragraph, the Secretary shall, to the extent practicable, ensure that the program provided for in this paragraph does not have a significant effect on program participation or total production and shall be offered in such a manner that the Secretary

determines will result in no additional budget outlays. The Secretary shall provide an analysis of the Secretary's determination to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(4) ADMINISTRATION.—

"(A) PROTECTION FROM WEEDS AND EROSION.—The regulations issued by the Secretary under paragraph (2) with respect to acreage required to be devoted to conservation uses shall assure protection of the acreage from weeds and wind and water erosion.

"(B) ANNUAL OR PERENNIAL COVER.—

"(i) IN GENERAL.—Except as provided in paragraph (2), a producer who participates in an acreage reduction program established for a crop of upland cotton under this subsection shall be required to plant to an annual or perennial cover 50 percent (or more, at the option of the producer) of the acreage that is required to be removed from the production of upland cotton, but not to exceed 5 percent (or more, at the option of the producer) of the crop acreage base established for the crop. This requirement shall not apply with respect to arid areas (including summer fallow areas), as determined by the Secretary.

"(ii) MULTIYEAR PROGRAM.—

"(I) COST-SHARE ASSISTANCE.—If a producer elects to establish a perennial cover capable of improving water quality or wildlife habitat on the acreage, the Commodity Credit Corporation shall make available cost-share assistance for 25 percent of the approved cost of establishing the cover on not more than 50 percent of the acreage that is required to be diverted from production, but not to exceed 5 percent (or more, at the option of the producer) of the crop acreage base established for a crop.

"(II) AGREEMENT OF PRODUCER.—If a producer elects to establish a perennial cover on the acreage under this subparagraph and receives cost-share assistance from the Corporation with respect to the cover, the producer, under such terms and conditions as may be prescribed by the Secretary, taking into consideration guidelines established by the State technical committees established in subtitle G of title XII of the Food Security Act of 1985, shall agree to maintain the perennial cover for a minimum of 3 years.

"(iii) CONSERVING CROPS.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the acreage to be devoted to sweet sorghum, guar, sesame, castor beans, crambe, plantago ovato, triticale, rye, mung beans, milkweed, or other commodity, if the Secretary determines that the production is needed to provide an ade-

quate supply of the commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely.

"(C) Haying and grazing.—

"(i) In general.—Except as provided in clause (ii), haying and grazing of reduced acreage, acreage devoted to a conservation use under subsection (c)(1)(D), and acreage diverted from production under a land diversion program established under this section shall be permitted, except during any consecutive 5-month period that is established by the State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) for a State. The 5-month period shall be established during the period beginning April 1, and ending October 31, of a year.

"(ii) Natural disasters.—In the case of a natural disaster, the Secretary may permit unlimited haying and grazing on the acreage. The Secretary may not exclude irrigated or irrigable acreage not planted in alfalfa when exercising the authority under this clause.

"(D) Water storage uses.—

"(i) In general.—The regulations issued by the Secretary under paragraph (2) with respect to acreage required to be devoted to conservation uses shall provide that land that has been converted to water storage uses shall be considered to be devoted to conservation uses if the land was devoted to wheat, feed grains, cotton, rice, or oilseeds in at least 3 of the immediately preceding 5 years. The land shall be considered to be devoted to conservation uses for the period that the land remains in water storage uses, but not to exceed 5 years subsequent to its conversion to water storage uses.

"(ii) Limitations.—Land converted to water storage uses for the purposes of this subparagraph may not be devoted to any commercial use, including commercial fish production. The water stored on the land may not be ground water. The farm on which the land is located must have been irrigated with ground water during at least 1 of the preceding 5 crop years.

"(5) Land diversion program.—

"(A) Payments.—

"(i) In general.—The Secretary may make land diversion payments to producers of upland cotton, whether or not an acreage limitation program for upland cotton is in effect, if the Secretary determines that the land diversion payments are necessary to assist in adjusting the total national acreage of upland cotton to desirable goals. The land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with the producers.

"(ii) EXCESS CARRY-OVER.—If, at the time of final announcement of the acreage limitation program established under this subsection, the projected carry-over of upland cotton for the crop year is equal to or greater than 8 million bales, the Secretary shall offer a paid land diversion program to producers of upland cotton. Payments to producers under such a program shall be determined by multiplying—

"(I) the payment rate, of not less than 35 cents per pound of cotton, established by the Secretary; by

"(II) the program payment yield established for the crop for the farm; by

"(III) the number of permitted upland cotton acres diverted on the farm.

"(B) BIDS FOR CONTRACTS.—The amounts payable to producers under land diversion contracts may be determined through the submission of bids for the contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted.

"(C) LIMITATIONS ON DIVERTED ACREAGE.—

"(i) MAXIMUM ACREAGE PER FARM, COUNTY, OR COMMUNITY.—The Secretary shall limit the total acreage to be diverted under this paragraph—

"(I) to not more than 15 percent of the upland cotton crop acreage base for a farm; and

"(II) under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(ii) LOWER PARTICIPATION LEVELS.—The Secretary may allow producers to participate in a land diversion program under this paragraph at a level lower than the maximum level announced by the Secretary, at the option of the producer, if the Secretary determines that it will increase participation in the program.

"(6) CONSERVATION PRACTICES.—

"(A) WILDLIFE FOOD PLOTS OR HABITAT.—The reduced acreage and additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of this subparagraph.

"(B) PUBLIC ACCESS.—The Secretary may provide for an additional payment on the acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the

general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(7) Participation agreements.—

"(A) In general.—Producers on a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for the participation not later than such date as the Secretary may prescribe.

"(B) Modification or termination.—The Secretary may, by mutual agreement with producers on a farm, modify or terminate any such agreement if the Secretary determines the action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities. The Secretary may modify the agreement under this subparagraph for the purpose of alleviating a shortage in the supply of agricultural commodities only if there has been a significant change in the estimated stocks of the commodity since the Secretary announced the final terms and conditions of the program for the crop of upland cotton.

"(f) Inventory Reduction Payments.—

"(1) In general.—The Secretary may, for each of the 1991 through 1995 crops of upland cotton, make payments available to producers who meet the requirements of this subsection.

"(2) Form.—The payments may be made in the form of marketing certificates.

"(3) Payments.—

"(A) In general.—Payments under this subsection shall be determined in the same manner as provided in subsection (b).

"(B) Quantity of cotton made available.—The quantity of upland cotton to be made available to a producer under this subsection shall be equal in value to the payments so determined under this subsection.

"(4) Eligibility.—A producer shall be eligible to receive a payment under this subsection for a crop if the producer—

"(A) agrees to forgo obtaining a loan under subsection (a);

"(B) agrees to forgo receiving payments under subsection (c);

"(C) does not plant upland cotton for harvest in excess of the crop acreage base reduced by one-half of any acreage required to be diverted from production under subsection (e); and

"(D) otherwise complies with this section.

"(g) Equitable Relief.—

"(1) Loans and payments.—If the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans and payments, the Secretary may, nevertheless, make such loans and payments in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure. The Secretary may consider whether the producer made a good faith effort to comply fully with the terms and conditions of the program in

determining whether equitable relief is warranted under this paragraph.

"(2) DEADLINES AND PROGRAM REQUIREMENTS.—The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

"(h) REGULATIONS.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

"(i) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(j) ASSIGNMENT OF PAYMENTS.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to payments under this section.

"(k) SHARING OF PAYMENTS.—The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

"(l) TENANTS AND SHARECROPPERS.—The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(m) CROSS-COMPLIANCE.—

"(1) IN GENERAL.—Compliance on a farm with the terms and conditions of any other commodity program, or compliance with crop acreage base requirements for any other commodity, may not be required as a condition of eligibility for loans or payments under this section.

"(2) COMPLIANCE ON OTHER FARMS.—The Secretary may not require producers on a farm, as a condition of eligibility for loans or payments under this section for the farm, to comply with the terms and conditions of the upland cotton program with respect to any other farm operated by the producers.

"(n) SPECIAL LIMITED GLOBAL IMPORT QUOTA.—

"(1) IN GENERAL.—The President shall, within 180 days after the date of enactment of this section, establish an import quota program which shall provide that whenever the Secretary determines and announces that the average price of the base quality of upland cotton, as determined by the Secretary, in the designated spot markets for a month exceeded 130 percent of the average price of such quality of cotton in such markets for the preceding 36 months, notwithstanding any other provision of law, there shall immediately be in effect a special limited global import quota subject to the following conditions:

"(A) QUANTITY.—The quantity of the special quota shall be equal to 21 days of domestic mill consumption of upland cotton at the seasonally adjusted average rate of the most recent 3 months for which data are available.

"(B) QUANTITY IF PRIOR QUOTA.—If a special quota has been established under this subsection during the preceding 12 months, the quantity of the quota next established under this subsection shall be the smaller of 21 days of domestic

mill consumption calculated as set forth in subparagraph (A) or the quantity required to increase the supply to 130 percent of the demand.

"(C) DEFINITIONS.—As used in subparagraph (B):

"(i) SUPPLY.—The term 'supply' means, using the latest official data of the Bureau of the Census, the Department of Agriculture, and the Department of the Treasury—

"(I) the carry-over of upland cotton at the beginning of the marketing year (adjusted to 480-pound bales) in which the special quota is established; plus

"(II) production of the current crop; plus

"(III) imports to the latest date available during the marketing year.

"(ii) DEMAND.—The term 'demand' means—

"(I) the average seasonally adjusted annual rate of domestic mill consumption in the most recent 3 months for which data are available; plus

"(II) the larger of—

"(aa) average exports of upland cotton during the preceding 6 marketing years; or

"(bb) cumulative exports of upland cotton plus outstanding export sales for the marketing year in which the special quota is established.

"(D) QUOTA ENTRY PERIOD.—When a special quota is established under this subsection, cotton may be entered under the quota during the 90-day period beginning on the effective date of the proclamation.

"(2) NO OVERLAP.—Notwithstanding paragraph (1), a special quota period may not be established that overlaps an existing quota period or a special quota period established under subsection (a)(5)(F).

"(o) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1991 through 1995 crops of upland cotton.".

SEC. 502. SUSPENSION OF BASE ACREAGE ALLOTMENTS, MARKETING QUOTAS, AND RELATED PROVISIONS.

Sections 342, 343, 344, 345, 346, and 377 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1342–1346 and 1377) shall not be applicable to any of the 1991 through 1995 crops of upland cotton.

SEC. 503. MISCELLANEOUS COTTON PROVISIONS.

Section 103(a) of the Agricultural Act of 1949 (7 U.S.C. 1444(a)) shall not be applicable to the 1991 through 1995 crops.

SEC. 504. SKIPROW PRACTICES.

Section 374(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1374(a)) is amended by striking "1990 crops" and inserting "1995 crops, except that, for the 1991 through 1995 crops, the rules shall allow 30 inch rows to be taken into account for classifying the acreage planted to cotton and the area skipped".

SEC. 505. PRELIMINARY ALLOTMENTS FOR 1996 CROP OF UPLAND COTTON.

Notwithstanding any other provision of law, the permanent State, county, and farm base acreage allotments for the 1977 crop of upland cotton, adjusted for any underplantings in 1977 and reconstituted as provided in section 379 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1379), shall be the preliminary allotments for the 1996 crop.

SEC. 506. EXTRA LONG STAPLE COTTON PROGRAM.

(a) IN GENERAL.—Section 103(h) of the Agricultural Act of 1949 (7 U.S.C. 1444(h)) is amended—

(1) by striking paragraphs (4) through (6);

(2) by redesignating paragraphs (7) through (19) as paragraphs (4) through (16), respectively;

(3) in the second sentence of paragraph (5)(A)(i) (as so redesignated), by inserting "(including a zero percentage reduction)" after "reduction";

(4) by striking paragraph (13) (as so redesignated) and inserting the following new paragraph:

"(13)(A) Compliance on a farm with the terms and conditions of any other commodity program or compliance with crop acreage base requirements for any other commodity may not be required as a condition of eligibility for loans or payments under this section.

"(B) The Secretary may not require producers on a farm, as a condition of eligibility for loans or payments under this section for the farm, to comply with the terms and conditions of the extra long staple cotton program with respect to any other farm operated by the producers."; and

(5) in paragraph (16) (as so redesignated), by striking "1991" and inserting "1996".

(b) CONFORMING AMENDMENTS.—Section 103(h) of such Act is amended—

(1) in paragraph (3)(A)—

(A) by striking "paragraph (6) or paragraph (8)(A) of this subsection" and inserting "paragraph (5)(A)"; and

(B) by striking "paragraph (7) of this subsection" and inserting "paragraph (4)";

(2) in paragraph (3)(C), by striking "paragraph (8)(A) of this subsection" and inserting "paragraph (5)(A)";

(3) in paragraph (5)(A)(i) (as redesignated by subsection (a)(2)), by striking the next to last sentence;

(4) in paragraph (5)(A)(ii) (as redesignated by subsection (a)(2)), by striking "paragraph (16)(C)" and inserting "paragraph (13)(C)"; and

(5) in paragraph (6) (as redesignated by subsection (a)(2)), by striking "paragraph (8) of this subsection" and inserting "paragraph (5)".

SEC. 507. COTTONSEED AND COTTONSEED OIL PRICE SUPPORT.

Section 203 of the Agricultural Act of 1949 (7 U.S.C. 1446d) is amended to read as follows:

"SEC. 203. COTTONSEED AND COTTONSEED OIL PRICE SUPPORT.

"(a) IN GENERAL.—If the Secretary determines that any oilseed program or programs cause, or are likely to cause, a reduction in

prices received by producers for cottonseed or by processors for cottonseed oil, the Secretary shall take such actions as are necessary to offset the actual or anticipated impact of the program on prices for cottonseed or cottonseed oil. The actions shall only include actions to stabilize or increase the price of cottonseed, and shall not include actions to decrease the prices of other oilseeds.

"(b) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1991 through 1995 crops of upland cotton.".

SEC. 508. SECURITY INTERESTS.

(a) IN GENERAL.—Section 17 of the United States Warehouse Act (7 U.S.C. 259) is amended by adding at the end the following new subsections:

"(c)(1)(A) The Secretary of Agriculture, or the designated representative of the Secretary, may provide that in lieu of issuing a receipt for cotton stored in a warehouse licensed under this Act the information required to be included in a receipt under section 18 shall be recorded instead in a central filing system or systems maintained in one or more locations in accordance with regulations issued by the Secretary.

"(B) Any such record shall state that the cotton shall be delivered to a specified person, or to a specified person or to the order of the person.

"(C) This subsection and subsection (d) shall not apply to a warehouse that does not have facilities to electronically transmit and receive information to and from the central filing system. Nothing in this subsection shall be construed as to require a warehouseman to obtain the facilities.

"(2) Notwithstanding any other provision of law—

"(A) the record of the ownership interests of persons in cotton included in any such central filing system shall be deemed to be a receipt for the purposes of this Act and shall establish the ownership interest of persons in the cotton; and

"(B) the Secretary may provide for the recording of liens in the central filing system that shall represent the perfected security interest of persons whose liens are so recorded and for liens that are so recorded to be the only liens that are enforceable against owners and purchasers of cotton registered in the central filing system, except that nothing in this paragraph shall be construed to alter the enforceability of the warehouseman's lien.

"(3) A warehouseman conducting a warehouse licensed under this Act, in the absence of a lawful excuse, shall, without unnecessary delay, deliver the cotton stored in the warehouse on demand made by the person named in the record in the central filing system as the owner of the receipt representing the cotton, if demand is accompanied by—

"(A) an offer to satisfy a valid warehouseman's lien, as determined by the Secretary; and

"(B) an offer to provide an acknowledgement in the central filing system, if requested by the warehouseman, that the cotton has been delivered.

"(d)(1) The Secretary shall (under such regulations as the Secretary may prescribe) charge and provide for the collection of reasonable fees to cover the estimated costs to the Department of Agriculture incident to the functioning and the maintenance of any central filing system or systems referred to in subsection (c) that is administered by the Department of Agriculture.

"(2) The Secretary may provide for the fees to be collected by persons operating the central filing system administered by the Department from those persons recording information in the central filing system at such time and in such manner as may be prescribed in regulations issued by the Secretary.

"(3) The fees shall be deposited into a fund which shall be available without fiscal year limitation for the expenses of the Secretary incurred in carrying out subsection (c) and this subsection. Any sums collected or received by the Secretary under this Act and deposited to the fund and any late payment penalties collected by the Secretary and credited to the fund may be invested by the Secretary in insured or fully collateralized, interest-bearing accounts or, at the discretion of the Secretary, by the Secretary of the Treasury in United States Government debt instruments. The interest earned on the sums and any late payment penalties collected by the Secretary shall be credited to the fund and shall be available without fiscal year limitations for the expenses of the Service incurred in carrying out subsection (c) and this subsection.".

(b) PENALTY.—Section 30 of such Act (7 U.S.C. 270) is amended by inserting after "who shall issue or utter a false or fraudulent receipt or certificate," the following: "or furnish false or fraudulent information to a central filing system maintained under section 17,".

TITLE VI—RICE

SEC. 601. LOANS, PAYMENTS, AND ACREAGE REDUCTION PROGRAMS FOR THE 1991 THROUGH 1995 CROPS OF RICE.

The Agricultural Act of 1949 is amended by inserting after section 101A (7 U.S.C. 1441-1) the following new section:

"SEC. 101B. LOANS, PAYMENTS, AND ACREAGE REDUCTION PROGRAMS FOR THE 1991 THROUGH 1995 CROPS OF RICE.

"(a) LOANS AND PURCHASES.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the Secretary shall make available to producers on a farm nonrecourse loans and purchases for each of the 1991 through 1995 crops of rice produced on the farm at a level that is not less than the higher of—

"(A) 85 percent of the simple average price received by producers, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of rice, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; or

"(B) $6.50 per hundredweight.

"(2) MAXIMUM REDUCTION.—The loan level for any crop of rice determined under paragraph (1) may not be reduced by

more than 5 percent from the level determined for the preceding crop.

"(3) ANNOUNCEMENT OF LOAN LEVEL AND ESTABLISHED PRICE.—The loan and purchase level and the established price for each of the 1991 through 1995 crops of rice shall be announced not later than January 31 of each calendar year for the crop harvested in the calendar year or, in the case of the 1991 crop, as soon as practicable after the date of enactment of this section.

"(4) TERM.—A loan made under this subsection shall have a term of not more than 9 months beginning after the month in which the application for the loan is made.

"(5) MARKETING LOAN PROVISIONS.—

"(A) IN GENERAL.—In order to ensure that a competitive market position is maintained for rice, the Secretary shall permit a producer to repay a loan made under paragraph (1) for a crop at a level that is the lesser of—

"(i) the loan level determined for the crop; or

"(ii) the higher of—

"(I) the loan level determined for the crop multiplied by 70 percent; or

"(II) the prevailing world market price for rice, as determined by the Secretary.

"(B) PREVAILING WORLD MARKET PRICE.—The Secretary shall prescribe by regulation—

"(i) a formula to define the prevailing world market price for rice; and

"(ii) a mechanism by which the Secretary shall announce periodically the prevailing world market price for rice.

"(C) PRODUCER PURCHASE OF MARKETING CERTIFICATES.—

"(i) IN GENERAL.—As a condition of permitting a producer to repay a loan as provided in subparagraph (A), the Secretary may require a producer to purchase marketing certificates equal in value to an amount that does not exceed one-half the difference, as determined by the Secretary, between the amount of the loan obtained by the producer and the amount of the loan repayment.

"(ii) REDEMPTION FOR RICE OR CASH.—The certificates shall be redeemable for agricultural commodities owned by the Commodity Credit Corporation valued at the prevailing market price, as determined by the Secretary or for cash, under such terms and conditions as the Secretary may prescribe.

"(iii) REDEMPTION, MARKETING, OR EXCHANGE.—The Commodity Credit Corporation, under regulations prescribed by the Secretary, shall assist any person receiving marketing certificates under this subparagraph in the redemption or marketing or exchange of the certificates at such times, in such manner, and at such price levels as the Secretary determines will best effectuate the purposes of the program established under this section.

"(iv) CHARGES.—If any such certificate is not presented for redemption or marketing within a reasonable number of days after issuance, as determined by the Secretary, reasonable costs of storage and other carrying charges, as determined by the Secretary, shall be deducted from the value of the certificate for the period beginning after the reasonable number of days and ending with the date of the presentation of the certificate to the Commodity Credit Corporation.

"(v) DESIGNATION OF COMMODITIES AND PRODUCTS.—Insofar as practicable, the Secretary shall permit owners of certificates to designate the commodities and the products thereof, including storage sites thereof, the owners would prefer to receive in exchange for certificates.

"(vi) SALES PRICE RESTRICTIONS.—Notwithstanding any other provision of law, any price restrictions that may otherwise apply to the disposition of agricultural commodities by the Commodity Credit Corporation shall not apply to the redemption of certificates under this subparagraph.

"(vii) DISPLACEMENT.—The Secretary shall take such measures as may be necessary to prevent the marketing or exchange of agricultural commodities and the products thereof for certificates under this subparagraph from adversely affecting the income of producers of the commodities or products.

"(viii) TRANSFERS.—Under regulations prescribed by the Secretary, certificates issued under this subparagraph may be transferred to other persons approved by the Secretary.

"(D) CERTIFICATES TO MAINTAIN COMPETITIVENESS.—

"(i) IN GENERAL.—Notwithstanding any other provision of law, whenever, during the period beginning August 1, 1991, and ending July 31, 1996, the prevailing world market price for a class of rice (adjusted to United States quality and location), as determined by the Secretary, is below the current loan repayment rate for that class of rice, to make United States rice competitive in world markets and to maintain and expand exports of rice produced in the United States, the Commodity Credit Corporation shall make payments, through the issuance of marketing certificates, to persons who have entered into an agreement with the Commodity Credit Corporation to participate in the program established under this subparagraph. The payments shall be made in such monetary amounts and subject to such terms and conditions as the Secretary determines will make rice produced in the United States available at competitive prices consistent with the purposes of this subparagraph.

"(ii) VALUE.—The value of each certificate issued under this subparagraph shall be based on the difference between—

"(I) the loan repayment rate for the class of rice; and

"(II) the prevailing world market price for the class of rice, as determined by the Secretary.

"(iii) TERMS AND CONDITIONS OF CERTIFICATES.—Marketing certificates issued under this subparagraph shall be subject to the same terms and conditions as certificates issued under subparagraph (C).

"(6) SIMPLE AVERAGE PRICE.—For purposes of this section, the simple average price received by producers for the immediately preceding marketing year shall be based on the latest information available to the Secretary at the time of the determination.

"(b) LOAN DEFICIENCY PAYMENTS.—

"(1) IN GENERAL.—The Secretary shall, for each of the 1991 through 1995 crops of rice, make payments (hereafter in this section referred to as 'loan deficiency payments') available to producers who, although eligible to obtain a loan or purchase agreement under subsection (a), agree to forgo obtaining the loan or agreement in return for payments under this subsection.

"(2) COMPUTATION.—A payment under this subsection shall be computed by multiplying—

"(A) the loan payment rate; by

"(B) the quantity of rice the producer is eligible to place under loan (or obtain a purchase agreement) but for which the producer forgoes obtaining the loan or agreement in return for payments under this subsection.

"(3) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

"(A) the loan level determined for the crop under subsection (a); exceeds

"(B) the level at which a loan may be repaid under subsection (a).

"(4) MARKETING CERTIFICATES.—The Secretary may make up to one-half the amount of a payment under this subsection available in the form of marketing certificates, subject to the terms and conditions provided in subsection (a)(5)(C).

"(c) PAYMENTS.—

"(1) DEFICIENCY PAYMENTS.—

"(A) IN GENERAL.—The Secretary shall make available to producers payments (hereafter in this section referred to as 'deficiency payments') for each of the 1991 through 1995 crops of rice in an amount computed by multiplying—

"(i) the payment rate; by

"(ii) the payment acres for the crop; by

"(iii) the farm program payment yield established for the crop for the farm.

"(B) PAYMENT RATE.—

"(i) PAYMENT RATE FOR 1991 THROUGH 1993 CROPS.—The payment rate for each of the 1991 through 1993 crops of rice shall be the amount by which the established price for the crop of rice exceeds the higher of—

"(I) the national average market price received by producers during the first 5 months of the mar-

keting year for the crop, as determined by the Secretary; or

"(II) the loan level determined for the crop.

"(ii) PAYMENT RATE OF 1994 AND 1995 CROPS.—The payment rate for the 1994 and 1995 crops of rice shall be determined in accordance with clause (i).

"(iii) MINIMUM ESTABLISHED PRICE.—The established price for rice shall not be less than $10.71 per hundredweight for each of the 1991 through 1995 crops.

"(C) PAYMENT ACRES.—Payment acres for a crop shall be the lesser of—

"(i) the number of acres planted to the crop for harvest within the permitted acreage; or

"(ii) 100 percent of the crop acreage base for the crop for the farm less the quantity of reduced acreage (as determined under subsection (e)(2)(D)).

"(D) 50/92 PROGRAM.—

"(i) IN GENERAL.—If an acreage limitation program under subsection (e)(2) is in effect for a crop of rice and the producers on a farm devote a portion of the maximum payment acres for rice as calculated under subparagraph (C)(ii) for equal to more than 8 percent of such rice acreage of the farm for the crop to conservation uses (except as provided in subparagraph (E))—

"(I) such portion of the maximum payment acres in excess of 8 percent of such acreage devoted to conservation uses (except as provided in subparagraph (E)) shall be considered to be planted to rice for the purpose of determining the acreage on the farm required to be devoted to conservation uses in accordance with subsection (e)(2)(D); and

"(II) the producers shall be eligible for payments under this paragraph with respect to such acreage, subject to the compliance of the producers with clause (ii).

"(ii) MINIMUM PLANTING REQUIREMENT.—To be eligible for payments under clause (i), except as provided in clauses (iv) and (v), the producers on a farm must actually plant rice for harvest on at least 50 percent of the maximum payment acres for rice for the farm.

"(iii) DEFICIENCY PAYMENTS.—Notwithstanding any other provision of this section, any producer who devotes a portion of the maximum payment acres for rice for the farm to conservation uses (or other uses as provided in subparagraph (E)) under this subparagraph shall receive deficiency payments on the acreage that is considered to be planted to rice and eligible for payments under this subparagraph for the crop at a per-hundredweight rate established by the Secretary, except that the rate may not be established at less than the projected deficiency payment rate for the crop, as determined by the Secretary. Such projected payment rate for the crop shall be announced by the Secretary prior

to the period during which rice producers may agree to participate in the program for the crop.

"(iv) Quarantines.—If a State or local agency has imposed in an area of a State or county a quarantine on the planting of rice for harvest on farms in the area, the State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) may recommend to the Secretary that payments be made under this paragraph, without regard to the requirement imposed under clause (ii), to producers in the area who were required to forgo the planting of rice for harvest on acreage to alleviate or eliminate the condition requiring the quarantine. If the Secretary determines that the condition exists, the Secretary may make payments under this paragraph to the producers. To be eligible for payments under this clause, the producers must devote the acreage to conservation uses (except as provided in subparagraph (E)).

"(v) Prevented planting.—If an acreage limitation program under subsection (e) is in effect for any crop of rice and if the Secretary determines that producers on a farm are prevented from planting the acreage intended for rice to rice because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make available to such producers payments under this subparagraph without regard to the requirement imposed under clause (ii). To be eligible for payments under this clause, the producers must devote the acreage to conservation uses (except as provided in subparagraph (E)). Any such acreage shall be considered to be planted to rice.

"(vi) Crop acreage and payment yield.—The rice crop acreage base and rice farm program payment yield of the farm shall not be reduced due to the fact that a portion of the permitted rice acreage of the farm was devoted to conserving uses (except as provided in subparagraph (E)) under this subparagraph.

"(vii) Limitation.—Other than as provided in clauses (i) through (vi), payments may not be made under this paragraph for any crop on a greater acreage than the acreage actually planted to rice.

"(viii) Conservation use acreage under other programs.—Any acreage considered to be planted to rice in accordance with clauses (i) and (vi) may not also be designated as conservation use acreage for the purpose of fulfilling any provisions under any acreage limitation or land diversion program requiring that the producers devote a specified acreage to conservation uses.

"(E) Alternative crops.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of acreage otherwise required to be devoted to conservation uses as a condition of qualifying

for payments under subparagraph (D) to be devoted to sweet sorghum, guar, sesame, castor beans, crambe, plantago ovato, triticale, rye, mung beans, commodities for which no substantial domestic production or market exists but that could yield industrial raw material being imported, or likely to be imported, into the United States, or commodities grown for experimental purposes (including kenaf and milkweed), subject to the following sentence. The Secretary may permit the acreage to be devoted to the production only if the Secretary determines that—

"(i) the production is not likely to increase the cost of the price support program and will not affect farm income adversely; and

"(ii) the production is needed to provide an adequate supply of the commodity, or, in the case of commodities for which no substantial domestic production or market exists but that could yield industrial raw materials, the production is needed to encourage domestic manufacture of the raw material and could lead to increased industrial use of the raw material to the long-term benefit of United States industry.

"(F) REDUCTION FOR DISASTER PAYMENTS.—The total quantity of rice on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (2).

"(2) DISASTER PAYMENTS.—

"(A) PREVENTED PLANTING.—Except as provided in subparagraph (C), if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for rice to rice or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers in an amount equal to the product obtained by multiplying—

"(i) the number of acres so affected but not to exceed the acreage planted to rice for harvest (including any acreage that the producers were prevented from planting to rice or other nonconserving crops in lieu of rice because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year; by

"(ii) 75 percent of the farm program payment yield established for the farm by the Secretary; by

"(iii) a payment rate equal to 33⅓ percent of the established price for the crop.

"(B) REDUCED YIELDS.—Except as provided in subparagraph (C), if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of rice that the producers are able to harvest on any farm is less than the result of multiplying 75 percent of the farm

program payment yield established by the Secretary for the crop by the acreage planted for harvest for the crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 33⅓ percent of the established price for the crop for the deficiency in production below 75 percent for the crop.

"(C) CROP INSURANCE.—Producers on a farm shall not be eligible for—

"(i) prevented planting disaster payments under subparagraph (A), if prevented planting crop insurance is available to the producers under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) with respect to the rice acreage of the producers; or

"(ii) reduced yield disaster payments under subparagraph (B), if reduced yield crop insurance is available to the producers under such Act with respect to the rice acreage of the producers.

"(D) ADMINISTRATION.—

"(i) ECONOMIC EMERGENCIES.—Notwithstanding subparagraph (C), the Secretary may make a disaster payment to the producers on a farm under this paragraph if the Secretary determines that—

"(I) as the result of drought, flood, or other natural, disaster, or other condition beyond the control of the producers, the producers have suffered substantial losses of production either from being prevented from planting rice or other nonconserving crops or from reduced yields;

"(II) the losses have created an economic emergency for the producers;

"(III) crop insurance indemnity payments under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) and other forms of assistance made available by the Federal Government to the producers for the losses are insufficient to alleviate the economic emergency; and

"(IV) additional assistance must be made available to the producers to alleviate the economic emergency.

"(ii) ADJUSTMENTS.—The Secretary may make such adjustments in the amount of payments made available under this paragraph with respect to an individual farm as necessary to ensure the equitable allotment of the payments among producers, taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(d) PAYMENT YIELDS.—The farm program payment yields for farms for each crop of rice shall be determined under title V.

"(e) ACREAGE REDUCTION PROGRAMS.—

"(1) IN GENERAL.—

"(A) ESTABLISHMENT.—Notwithstanding any other provision of this Act, if the Secretary determines that the total supply of rice, in the absence of an acreage limitation program, will be excessive taking into account the need for an

adequate carry-over to maintain reasonable and stable supplies and prices and to meet a national emergency, the Secretary may provide for any crop of rice an acreage limitation program as described in paragraph (2).

"(B) AGRICULTURAL RESOURCES CONSERVATION PROGRAM.—In making a determination under subparagraph (A), the Secretary shall take into consideration the number of acres placed in the agricultural resources conservation program established under subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.).

"(C) ANNOUNCEMENTS.—If the Secretary elects to implement an acreage limitation program for any crop year, the Secretary shall announce any such program not later than January 31 of the calendar year in which the crop is harvested, except that in the case of the 1991 crop, the Secretary shall announce the program as soon as practicable after the date of enactment of this section.

"(D) CARRY-OVER.—The Secretary shall carry out an acreage limitation program described in paragraph (2) for a crop of rice in a manner that will result in carry-over stocks equal to 16.5 to 20 percent of the simple average of the total disappearance of rice for each of the 3 marketing years preceding the year for which the announcement is made. For the purpose of this subparagraph, the term 'total disappearance' means all rice utilization, including total domestic, total export, and total residual disappearance.

"(2) ACREAGE LIMITATION PROGRAM.—

"(A) PERCENTAGE REDUCTIONS.—Except as provided in paragraph (3), if a rice acreage limitation program is announced under paragraph (1), such limitation shall be achieved by applying a uniform percentage reduction (from 0 to 35 percent) to the rice crop acreage base for the crop for each rice-producing farm.

"(B) COMPLIANCE.—Except as provided in section 504, producers who knowingly produce rice in excess of the permitted rice acreage for the farm, as established in accordance with subparagraph (A), shall be ineligible for rice loans, purchases, and payments with respect to that farm.

"(C) CROP ACREAGE BASES.—Rice crop acreage bases for each crop of rice shall be determined under title V.

"(D) ACREAGE DEVOTED TO CONSERVATION USES.—A number of acres on the farm shall be devoted to conservation uses, in accordance with regulations issued by the Secretary. Such number shall be determined by multiplying the rice crop acreage base by the percentage reduction required by the Secretary. The number of acres so determined is hereafter in this subsection referred to as 'reduced acreage'. The remaining acreage is hereafter in this subsection referred to as 'permitted acreage'. Permitted acreage may be adjusted by the Secretary as provided in paragraph (3) and in section 504.

"(E) INDIVIDUAL FARM PROGRAM ACREAGE.—Except as otherwise provided in subsection (c), the individual farm program acreage shall be the acreage planted on the farm

to rice for harvest within the permitted rice acreage for the farm as established under this paragraph.

"(F) PLANTING DESIGNATED CROPS ON REDUCED ACREAGE.—

"(i) DEFINITION OF DESIGNATED CROP.—As used in this subparagraph, the term 'designated crop' means a crop defined in section 504(b)(1), excluding any program crop as defined in section 502(3).

"(ii) IN GENERAL.—Subject to clause (iii), the Secretary may permit producers on a farm to plant a designated crop on no more than one-half of the reduced acreage on the farm.

"(iii) LIMITATIONS.—If the producers on a farm elect to plant a designated crop on reduced acreage under this subparagraph—

"(I) the amount of the deficiency payment that the producers are otherwise eligible to receive under subsection (c) shall be reduced, for each acre (or portion thereof) that is planted to the designated crop, by an amount equal to the deficiency payment that would be made with respect to a number of acres of the crop that the Secretary considers appropriate, except that if the producers on the farm are participating in a program established for more than one program crop, the amount of the reduction shall be determined by prorating the reduction based on the acreage planted or considered planted on the farm to all of such program crops; and

"(II) the Secretary shall ensure that reductions in deficiency payments under subclause (I) are sufficient to ensure that this subparagraph will result in no additional cost to the Commodity Credit Corporation.

"(3) TARGETED OPTION PAYMENTS.—

"(A) IN GENERAL.—Notwithstanding any other provision of this section, if the Secretary implements an acreage limitation program with respect to any of the 1991 through 1995 crops of rice and announces an acreage limitation percentage of 20 percent or less, the Secretary may make available to producers on a farm who do not receive payments under subsection (c)(1)(D) for such crop on the farm, adjustments in the level of deficiency payments that would otherwise be made available to the producers if the producers exercise the payment options provided in this paragraph.

"(B) PAYMENT OPTIONS.—If the Secretary elects to carry out this paragraph, the Secretary shall make the payment options specified in subparagraphs (C) and (D) available to producers who agree to make adjustments in the quantity of acreage diverted from the production of rice under an acreage limitation program in accordance with this paragraph.

"(C) INCREASED ACREAGE LIMITATION OPTION.—

"(i) INCREASE IN ESTABLISHED PRICE.—If the Secretary elects to carry out this paragraph, a producer shall be eligible to receive an increase in the established price for rice under clause (ii) if the producer agrees to an increase in the acreage limitation percentage to be applied to the producers' rice acreage base above the acreage limitation percentage announced by the Secretary.

"(ii) METHOD OF CALCULATION.—For the purposes of calculating deficiency payments to be made available to producers who participate in the program under this paragraph, the Secretary shall increase the established price for rice by an amount determined by the Secretary, but not less than 0.5 percent, nor more than 1 percent, for each 1 percentage point increase in the acreage limitation percentage applied to the producers' rice acreage base.

"(iii) LIMITATION.—The acreage limitation percentage to be applied to the producers' rice acreage base shall not be increased by more than 5 percentage points above the acreage limitation percentage announced by the Secretary.

"(iv) ADJUSTMENT FOR UNDERPLANTINGS.—In determining the increased acreage limitation percentage that is applied to the producer's rice acreage base under this paragraph, the Secretary shall exclude an amount of acreage equal to the average difference between the producer's permitted rice acreage and the acreage actually planted (including acreage devoted to conserving uses under subsection (c)(1)(D)) to rice for harvest during the previous 2 years.

"(D) DECREASED ACREAGE LIMITATION OPTION.—

"(i) DECREASE IN ACREAGE LIMITATION REQUIREMENT.—If the Secretary elects to carry out this paragraph, a producer shall be eligible to decrease the acreage limitation percentage applicable to the producers' rice acreage base (as announced by the Secretary) if the producer agrees to a decrease in the established price for rice under clause (ii) for the purpose of calculating deficiency payments to be made available to the producer.

"(ii) METHOD OF CALCULATION.—For the purposes of calculating deficiency payments to be made available to producers who choose the option set forth in this subparagraph, the Secretary shall decrease the established price for rice by an amount to be determined by the Secretary, but not less than 0.5 percent, nor more than 1 percent, for each 1 percentage point decrease in the acreage limitation percentage applied to the producers' rice acreage base.

"(iii) LIMITATION.—A producer may not choose to decrease the acreage limitation percentage applicable to the producers' rice acreage base under this paragraph

by more than one-half of the announced acreage limitation percentage.

"(E) PARTICIPATION AND PRODUCTION EFFECTS.—Notwithstanding any other provision of this paragraph, the Secretary shall, to the extent practicable, ensure that the program provided for in this paragraph does not have a significant effect on program participation or total production and shall be offered in such a manner that the Secretary determines will result in no additional budget outlays. The Secretary shall provide an analysis of the Secretary's determination to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(4) ADMINISTRATION.—

"(A) PROTECTION FROM WEEDS AND EROSION.—The regulations issued by the Secretary under paragraph (2) with respect to acreage required to be devoted to conservation uses shall assure protection of the acreage from weeds and wind and water erosion.

"(B) ANNUAL OR PERENNIAL COVER.—

"(i) IN GENERAL.—Except as provided in paragraph (2), a producer who participates in an acreage reduction program established for a crop of rice under this subsection shall be required to plant to an annual or perennial cover 50 percent (or more, at the option of the producer) of the acreage that is required to be removed from the production of rice, but not to exceed 5 percent (or more, at the option of the producer) of the crop acreage base established for the crop. This requirement shall not apply with respect to arid areas (including summer fallow areas), as determined by the Secretary.

"(ii) MULTIYEAR PROGRAM.—

"(I) COST-SHARE ASSISTANCE.—If a producer elects to establish a perennial cover capable of improving water quality or wildlife habitat on the acreage, the Commodity Credit Corporation shall make available cost-share assistance for 25 percent of the approved cost of establishing the cover on not more than 50 percent of the acreage that is required to be diverted from production, but not to exceed 5 percent (or more, at the option of the producer) of the crop acreage base established for a crop.

"(II) AGREEMENT OF PRODUCER.—If a producer elects to establish a perennial cover on the acreage under this subparagraph and receives cost-share assistance from the Corporation with respect to the cover, the producer, under such terms and conditions as may be prescribed by the Secretary, taking into consideration guidelines established by the State technical committees established in subtitle G of title XII of the Food Security Act of 1985, shall agree to maintain the perennial cover for a minimum of 3 years.

"(iii) Conserving crops.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the acreage to be devoted to sweet sorghum, guar, sesame, castor beans, crambe, plantago ovato, triticale, rye, mung beans, milkweed, or other commodity, if the Secretary determines that the production is needed to provide an adequate supply of the commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely.

"(C) Haying and grazing.—

"(i) In general.—Except as provided in clause (ii), haying and grazing of reduced acreage, acreage devoted to a conservation use under subsection (c)(1)(D), and acreage diverted from production under a land diversion program established under this section shall be permitted, except during any consecutive 5-month period that is established by the State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) for a State. The 5-month period shall be established during the period beginning April 1, and ending October 31, of a year.

"(ii) Natural disasters.—In the case of a natural disaster, the Secretary may permit unlimited haying and grazing on the acreage. The Secretary may not exclude irrigated or irrigable acreage not planted in alfalfa when exercising the authority under this clause.

"(D) Water storage uses.—

"(i) In general.—The regulations issued by the Secretary under paragraph (2) with respect to acreage required to be devoted to conservation uses shall provide that land that has been converted to water storage uses shall be considered to be devoted to conservation uses if the land was devoted to wheat, feed grains, cotton, rice, or oilseeds in at least 3 of the immediately preceding 5 years. The land shall be considered to be devoted to conservation uses for the period that the land remains in water storage uses, but not to exceed 5 years subsequent to its conversion to water storage uses.

"(ii) Limitations.—Land converted to water storage uses for the purposes of this subparagraph may not be devoted to any commercial use, including commercial fish production. The water stored on the land may not be ground water. The farm on which the land is located must have been irrigated with ground water during at least 1 of the preceding 5 crop years.

"(5) Land diversion program.—

"(A) In general.—The Secretary may make land diversion payments to producers of rice, whether or not an acreage limitation program for rice is in effect, if the Secretary determines that the land diversion payments are necessary to assist in adjusting the total national acreage of rice to desirable goals. The land diversion payments shall be made

to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with the producers.

"(B) AMOUNTS.—The amounts payable to producers under land diversion contracts may be determined through the submission of bids for the contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted.

"(C) LIMITATION ON DIVERTED ACREAGE.—The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(6) CONSERVATION PRACTICES.—

"(A) WILDLIFE FOOD PLOTS OR HABITAT.—The reduced acreage and additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of this subparagraph.

"(B) PUBLIC ACCESS.—The Secretary may provide for an additional payment on the acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(7) PARTICIPATION AGREEMENTS.—

"(A) IN GENERAL.—Producers on a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for the participation not later than such date as the Secretary may prescribe.

"(B) MODIFICATION OR TERMINATION.—The Secretary may, by mutual agreement with producers on a farm, modify or terminate any such agreement if the Secretary determines the action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities. The Secretary may modify the agreement under this subparagraph for the purpose of alleviating a shortage in the supply of agricultural commodities only if there has been a significant change in the estimated stocks of the commodity since the Secretary announced the final terms and conditions of the program for the crop of rice.

"(f) INVENTORY REDUCTION PAYMENTS.—

"(1) In general.—The Secretary may, for each of the 1991 through 1995 crops of rice, make payments available to producers who meet the requirements of this subsection.

"(2) Form.—The payments may be made in the form of marketing certificates.

"(3) Payments.—

"(A) In general.—Payments under this subsection shall be determined in the same manner as provided in subsection (b).

"(B) Quantity of rice made available.—The quantity of rice to be made available to a producer under this subsection shall be equal in value to the payments so determined under this subsection.

"(4) Eligibility.—A producer shall be eligible to receive a payment under this subsection for a crop if the producer—

"(A) agrees to forgo obtaining a loan or purchase agreement under subsection (a);

"(B) agrees to forgo receiving payments under subsection (c);

"(C) does not plant rice for harvest in excess of the crop acreage base reduced by one-half of any acreage required to be diverted from production under subsection (e); and

"(D) otherwise complies with this section.

"(g) Equitable Relief.—

"(1) Loans and payments.—If the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure. The Secretary may consider whether the producer made a good faith effort to comply fully with the terms and conditions of the program in determining whether equitable relief is warranted under this paragraph.

"(2) Deadlines and program requirements.—The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet the other requirements does not affect adversely the operation of the program.

"(h) Regulations.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

"(i) Commodity Credit Corporation.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(j) Assignment of Payments.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to payments under this section.

"(k) Sharing of Payments.—The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

"(l) Tenants and Sharecroppers.—The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(m) Cross-Compliance.—

"(1) In general.—Compliance on a farm with the terms and conditions of any other commodity program, or compliance with crop acreage base requirements for any other commodity, may not be required as a condition of eligibility for loans, purchases, or payments under this section.

"(2) Compliance on other farms.—The Secretary may not require producers on a farm, as a condition of eligibility for loans, purchases, or payments under this section for the farm, to comply with the terms and conditions of the rice program with respect to any other farm operated by the producers.

"(n) Crops.—Notwithstanding any other provision of law, this section shall be effective only for the 1991 through 1995 crops of rice.".

TITLE VII—OILSEEDS

SEC. 701. LOANS AND PAYMENTS FOR OILSEEDS FOR 1991 THROUGH 1995 MARKETING YEARS.

Title II of the Agricultural Act of 1949 (7 U.S.C. 1446 et seq.) is amended—

(1) in the matter preceding subsection (a) of section 201 (7 U.S.C. 1446), by striking "tung nuts," and inserting the following: "oilseeds (including soybeans, sunflower seed, canola, rapeseed, safflower, flaxseed, mustard seed, and such other oilseeds as the Secretary may determine),"; and

(2) by adding at the end the following new section:

"SEC. 205. LOANS AND PAYMENTS FOR OILSEEDS FOR 1991 THROUGH 1995 MARKETING YEARS.

"(a) Definition of Oilseeds.—As used in this section, the term 'oilseeds' means soybeans, sunflower seed, canola, rapeseed, safflower, flaxseed, mustard seed, and such other oilseeds as the Secretary may determine.

"(b) In General.—The Secretary shall support the price of oilseeds through nonrecourse loans to producers on a farm for oilseeds produced on the farm in each of the 1991 through 1995 marketing years as provided in this section.

"(c) Loan Level.—The loan level for each of the 1991 through 1995 crops of—

"(1) soybeans shall not be less than $5.02 per bushel;

"(2) sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed shall not be less than $0.089 per pound; and

"(3) other oilseeds shall be established at such level as the Secretary determines is fair and reasonable in relation to the loan level available for soybeans, except that, in the case of cottonseed, in no event less than the level established for soybeans on a per-pound basis for the same crop year.

"(d) Marketing Loan Provisions.—

"(1) In general.—The Secretary shall permit a producer to repay a loan made under this section for a crop—

"(A) at a level that is the lesser of—

"(i) the loan level determined for the crop; or

"(ii) the prevailing world market price for the applicable oilseed (adjusted to United States quality and location), as determined by the Secretary; or

"(B) such other level (not in excess of the loan level determined for the crop) that the Secretary determines will—

"(i) minimize potential loan forfeitures;

"(ii) minimize the accumulation of oilseed stocks by the Federal Government;

"(iii) minimize the cost incurred by the Federal Government in storing oilseeds; and

"(iv) allow oilseeds produced in the United States to be marketed freely and competitively, both domestically and internationally.

"(2) PREVAILING WORLD MARKET PRICE.—The Secretary shall prescribe by regulation—

"(A) a formula to define the prevailing world market price for oilseeds (adjusted to United States quality and location); and

"(B) a mechanism by which the Secretary shall announce periodically the prevailing world market price for oilseeds (adjusted to United States quality and location).

"(e) LOAN DEFICIENCY PAYMENT.—

"(1) IN GENERAL.—The Secretary shall, for each of the 1991 through 1995 crops of oilseeds, make payments available to producers who, although eligible to obtain a loan under subsection (b), agree to forgo obtaining the loan in return for payments under this subsection.

"(2) COMPUTATION.—A payment under this subsection shall be computed by multiplying—

"(A) the loan payment rate; by

"(B) the quantity of oilseeds the producer is eligible to place under loan but for which the producer forgoes obtaining the loan in return for payments under this subsection.

"(3) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

"(A) the loan level determined for the crop under subsection (c); exceeds

"(B) the level at which a loan may be repaid under subsection (d).

"(4) MARKETING CERTIFICATES.—

"(A) IN GENERAL.—The Secretary may make payments under this section available in the form of certificates redeemable for any agricultural commodity owned by the Commodity Credit Corporation.

"(B) MINIMAL OILSEED STOCKS.—The Secretary shall make certificates available under subparagraph (A) in such a manner so as to minimize the accumulation of oilseeds stocks.

"(f) MARKETING YEAR.—For purposes of this section, the marketing year for—

"(1) soybeans shall be the 12-month period beginning on September 1 and ending on August 31; and

"(2) other oilseeds shall be prescribed by the Secretary by regulation.

"(g) ANNOUNCEMENTS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall make an announcement of the loan level for the crop not later than November 15 prior to the calendar year in which the crop is harvested.

"(2) 1991 CROP.—In the case of the 1991 crop, the Secretary shall make an announcement of the loan level for the crop as soon as practicable after the date of enactment of this section

"(h) LOAN MATURITY.—A loan made for a crop of oilseeds under this section shall mature on the last day of the 9th month following the month the application for the loan is made.

"(i) OTHER TERMS AND CONDITIONS.—Notwithstanding any other provision of law—

"(1) the Secretary shall not require participation in any production adjustment program for oilseeds or any other commodity as a condition of eligibility for price support for oilseeds;

"(2) the Secretary may not authorize payments to producers to cover the cost of storing oilseeds; and

"(3) oilseeds may not be considered an eligible commodity for any reserve program.

"(j) REGULATIONS.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

"(k) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(l) ASSIGNMENT OF PAYMENTS.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to payments under this section.

"(m) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1991 through 1995 crops of oilseeds.".

TITLE VIII—PEANUTS

SEC. 801. SUSPENSION OF MARKETING QUOTAS AND ACREAGE ALLOTMENTS.

The following provisions of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1991 through 1995 crops of peanuts:

(1) Subsections (a) through (j) of section 358 (7 U.S.C. 1358(a)-(j)).

(2) Subsections (a) through (h) of section 358a (7 U.S.C. 1358a(a)-(h)).

(3) Subsections (a), (b), (d), and (e) of section 359 (7 U.S.C. 1359 (a), (b), (d), and (e)).

(4) Part I of subtitle C of title III (7 U.S.C. 1361 et seq.).

(5) Section 371 (7 U.S.C. 1371).

SEC. 802. NATIONAL POUNDAGE QUOTAS AND ACREAGE ALLOTMENTS.

The Agricultural Adjustment Act of 1938 is amended by inserting after section 358 the following new section:

"SEC. 358-1. NATIONAL POUNDAGE QUOTAS AND ACREAGE ALLOTMENTS FOR 1991 THROUGH 1995 CROPS OF PEANUTS.

"(a) NATIONAL POUNDAGE QUOTAS.—

"(1) ESTABLISHMENT.—The national poundage quota for peanuts for each of the 1991 through 1995 marketing years shall be established by the Secretary at a level that is equal to the quantity of peanuts (in tons) that the Secretary estimates will be devoted in each such marketing year to domestic edible, seed, and related uses. Notwithstanding any other provision of this paragraph, the national poundage quota for a marketing year shall not be less than 1,350,000 tons.

"(2) ANNOUNCEMENT.—The national poundage quota for a marketing year shall be announced by the Secretary not later than December 15 preceding the marketing year.

"(3) APPORTIONMENT AMONG STATES.—The national poundage quota established under paragraph (1) shall be apportioned among the States so that the poundage quota allocated to each State shall be equal to the percentage of the national poundage quota allocated to farms in the State for 1990.

"(b) FARM POUNDAGE QUOTAS.—

"(1) IN GENERAL.—

"(A) ESTABLISHMENT.—A farm poundage quota for each of the 1991 through 1995 marketing years shall be established—

"(i) for each farm that had a farm poundage quota for peanuts for the 1990 marketing year;

"(ii) if the poundage quota apportioned to a State under subsection (a)(3) for any such marketing year is larger than the quota for the immediately preceding marketing year, for each other farm on which peanuts were produced for marketing in at least 2 of the 3 immediately preceding crop years, as determined by the Secretary; and

"(iii) as approved and determined by the Secretary under section 358c, for each farm on which peanuts are produced in connection with experimental and research programs.

"(B) QUANTITY.—The farm poundage quota for each of the 1991 through 1995 marketing years for each farm described in subparagraph (A)(i) shall be the same as the farm poundage quota for the farm for the immediately preceding marketing year, as adjusted under paragraph (2), but not including—

"(i) any increases for undermarketings from previous years; or

"(ii) any increases resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).

The farm poundage quota, if any, for each of the 1991 through 1995 marketing years for each farm described in subparagraph (A)(ii) shall be equal to the quantity of peanuts allocated to the farm for the year under paragraph (2).

"(C) TRANSFERS.—For purposes of this subsection, if the farm poundage quota, or any part thereof, is permanently

transferred in accordance with section 358a or 358b, the receiving farm shall be considered as possessing the farm poundage quota (or portion thereof) of the transferring farm for all subsequent marketing years.

"(2) ADJUSTMENTS.—

"(A) ALLOCATION OF INCREASED QUOTA GENERALLY.—Except as provided in subparagraph (B) and subject to subparagraph (D), if the poundage quota apportioned to a State under subsection (a)(3) for any of the 1991 through 1995 marketing years is increased over the poundage quota apportioned to farms in the State for the immediately preceding marketing year, the increase shall be allocated proportionately, based on farm production history for peanuts for the 3 immediately preceding years, among—

"(i) all farms in the State for each of which a farm poundage quota was established for the marketing year immediately preceding the marketing year for which the allocation is being made; and

"(ii) all other farms in the State on each of which peanuts were produced in at least 2 of the 3 immediately preceding crop years, as determined by the Secretary.

"(B) ALLOCATION OF INCREASED QUOTA IN TEXAS.—

"(i) IN GENERAL.—In Texas, and subject to terms and conditions prescribed by the Secretary, beginning with the 1991 marketing year, 33 percent of the increased quota referred to in subparagraph (A) shall be allocated to farms having poundage quotas for the 1990 marketing year in any county in which the production of additional peanuts exceeded the total quota allocated to the county for the 1989 marketing year.

"(ii) BASIS FOR ALLOCATION TO COUNTIES.—The allocation of the quota to eligible counties shall be based on the total production of additional peanuts in the respective counties for the 1988 crop, except that the total quota allocated to any county under this subparagraph and paragraph (6)(C) shall not be increased by more than 100 percent of the basic quota assigned to the county for the 1989 marketing year if that county had more than 10,000 tons of quota for the 1989 marketing year.

"(iii) ALLOCATION TO OTHER COUNTIES.—If the total quota for any such county is so increased by 100 percent, all of the remaining quota percentage set aside under this subparagraph shall be allocated to farms in other counties otherwise meeting the requirements of this subparagraph.

"(iv) ALLOCATION TO ELIGIBLE FARMS.—The percentage of increased quota in any county shall be allocated under this subparagraph only to quota farms from which additional peanuts were delivered under contract with handlers for the marketing year immediately preceding the marketing year for which the allocation is being made. The percentage of the increased

quota in each county shall be allocated among the eligible farms in the county on the following basis:

"(I) Factor.—A factor shall be established for each such eligible farm by dividing the quantity of additional peanuts contracted and delivered to handlers from the farm by the total remaining peanuts produced on the farm for the marketing year immediately preceding the marketing year for which the allocation is being made.

"(II) Allocation.—Each such eligible farm shall be allocated the percentage of the increased quota for the county as its factor bears to the total of the factors for all eligible farms in the county.

"(v) Remaining percentage.—In Texas, the remaining 67 percent of the increased quota referred to in subparagraph (A) shall be allocated to farms in the State in accordance with subparagraph (A).

"(C) Decrease.—If the poundage quota apportioned to a State under subsection (a)(3) for any of the 1991 through 1995 marketing years is decreased from the poundage quota apportioned to farms in the State under subsection (a)(3) for the immediately preceding marketing year, the decrease shall be allocated among all the farms in the State for each of which a farm poundage quota was established for the marketing year immediately preceding the marketing year for which the allocation is being made.

"(D) Special rule on tenant's share of increased quota.—Subject to terms and conditions prescribed by the Secretary, on farms that were leased to a tenant for peanut production, the tenant shall share equally with the owner of the farm in that percentage of the quota referred to in subparagraph (A) and otherwise allocated to the farm as the result of the tenant's production on the farm of additional peanuts. Not later than April 1 of each year or as soon as practicable, the tenant's share of any such quota shall be allocated to a farm within the county owned by the tenant or sold by the tenant to the owner of any farm within the county and permanently transferred to that farm. Any quota not so disposed of as provided in this subparagraph shall be allocated to other quota farms in the State under paragraph (6) as part of the quota reduced from farms in the State due to the failure to produce the quota.

"(3) Quota not produced.—

"(A) In general.—Insofar as practicable and on such fair and equitable basis as the Secretary may by regulation prescribe, the farm poundage quota established for a farm for any of the 1991 through 1995 marketing years shall be reduced to the extent that the Secretary determines that the farm poundage quota established for the farm for any 2 of the 3 marketing years preceding the marketing year for which the determination is being made was not produced, or considered produced, on the farm.

"(B) Exclusions.—For the purposes of this paragraph, the farm poundage quota for any such preceding marketing year shall not include—

"(i) any increases for undermarketing of quota peanuts from previous years; or

"(ii) any increase resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).

"(4) Quota considered produced.—For purposes of this subsection, the farm poundage quota shall be considered produced on a farm if—

"(A) the farm poundage quota was not produced on the farm because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, as determined by the Secretary;

"(B) the farm poundage quota for the farm was released voluntarily under paragraph (7) for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made; or

"(C) the farm poundage quota was leased to another owner or operator of a farm within the same county for transfer to such farm for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made.

"(5) Quota permanently released.—Notwithstanding any other provision of law—

"(A) the farm poundage quota established for a farm under this subsection, or any part of the quota, may be permanently released by the owner of the farm, or the operator with the permission of the owner; and

"(B) the poundage quota for the farm for which the quota is released shall be adjusted downward to reflect the quota that is so released.

"(6) Allocation of quotas reduced or released.—

"(A) In general.—Except as provided in subparagraphs (B) and (C), the total quantity of the farm poundage quotas reduced or voluntarily released from farms in a State for any marketing year under paragraphs (3) and (5) shall be allocated, as the Secretary may by regulation prescribe, to other farms in the State on which peanuts were produced in at least 2 of the 3 crop years immediately preceding the year for which the allocation is being made.

"(B) Set-aside for farms with no quota.—Not more than 25 percent of the total amount of farm poundage quota to be allocated in the State under subparagraph (A) shall be allocated to farms in the State for which no farm poundage quota was established for the immediately preceding year's crop. The allocation to any such farm shall not exceed the average farm production of peanuts for the 3 immediately preceding years during which peanuts were produced on the farm.

"(C) Allocation of quotas reduced or released in Texas.—

"(i) In general.—In Texas, and subject to terms and conditions prescribed by the Secretary, beginning with the 1991 marketing year, the total quantity of the farm poundage quota, except the percentage allocated to new farms under subparagraph (B), shall be allocated to other farms having poundage quotas for the 1990 marketing year in all counties in which the production of additional peanuts exceeded the total quota allocated to the county for the 1989 marketing year.

"(ii) Basis for allocation to counties.—The allocation of the quota to eligible counties shall be based on the total production of additional peanuts in the respective county for the 1988 crop, except that the total quota allocated to any county under this subparagraph and paragraph (2)(B) shall not be increased by more than 100 percent of the basic quota allocated to the county for the 1989 marketing year, if that county had more than 10,000 tons of quota for the 1989 marketing year.

"(iii) Allocation to other counties.—If the total quota for any such county is so increased by 100 percent, all of the remaining quota set aside under this subparagraph shall be allocated to farms in other counties otherwise meeting the requirements of this subparagraph.

"(iv) Allocation to eligible farms.—The percentage of farm poundage quota available for allocation under this subparagraph shall be allocated only to quota farms from which additional peanuts were delivered under contract with handlers for the marketing year immediately preceding the marketing year for which the allocation is being made. The percentage of the increased quota in each county shall be allocated among the eligible farms in the county on the following basis:

"(I) Factor.—A factor shall be established for each such eligible farm by dividing the amount of additional peanuts contracted and delivered to handlers from the farm by the total remaining peanuts produced on the farm for the marketing year immediately preceding the marketing year for which the allocation is being made.

"(II) Allocation.—Each such eligible farm shall be allocated the percentage of the increased quota for the county as its factor bears to the total of the factors for all eligible farms in the county.

"(7) Quota temporarily released.—

"(A) In general.—The farm poundage quota, or any portion thereof, established for a farm for a marketing year may be voluntarily released to the Secretary to the extent that the quota, or any part thereof, will not be produced on the farm for the marketing year. Any farm poundage quota so released in a State shall be allocated to other farms in

the State on such basis as the Secretary may by regulation prescribe.

"(B) EFFECTIVE PERIOD.—Except as otherwise provided in this section, any adjustment in the farm poundage quota for a farm under subparagraph (A) shall be effective only for the marketing year for which it is made and shall not be taken into consideration in establishing a farm poundage quota for the farm from which the quota was released for any subsequent marketing year.

"(8) INCREASE FOR UNDERMARKETINGS IN PREVIOUS MARKETING YEARS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the farm poundage quota for a farm for any marketing year shall be increased by the number of pounds by which the total marketings of quota peanuts from the farm during previous marketing years (excluding any marketing year before the marketing year for the 1989 crop) were less than the total amount of applicable farm poundage quotas (disregarding adjustments for undermarketings from previous marketing years) for the marketing years.

"(B) QUOTA NOT PRODUCED.—For purposes of subparagraph (A), no increase for undermarketings in previous marketing years shall be made to the poundage quota for any farm to the extent that the poundage quota for the farm for the marketing year was reduced under paragraph (3) for failure to produce.

"(C) NATIONAL POUNDAGE QUOTA.—Any increases in farm poundage quotas under this paragraph shall not be counted against the national poundage quota for the marketing year involved.

"(D) TRANSFER OF ADDITIONAL PEANUTS.—Any increase in the farm poundage quota for a farm for a marketing year under this paragraph may be used during the marketing year by the transfer of additional peanuts produced on the farm to the quota loan pool for pricing purposes on such basis as the Secretary shall by regulation prescribe.

"(9) LIMIT ON INCREASES FOR UNDERMARKETINGS.—Notwithstanding the foregoing provisions of this subsection, if the total of all increases in individual farm poundage quotas under paragraph (8) exceeds 10 percent of the national poundage quota for the marketing year in which the increases shall be applicable, the Secretary shall adjust the increases so that the total of all the increases does not exceed 10 percent of the national poundage quota.

"(c) FARM YIELDS.—

"(1) IN GENERAL.—For each farm for which a farm poundage quota is established under subsection (b), and when necessary for purposes of this Act, a farm yield of peanuts shall be determined for each such farm.

"(2) QUANTITY.—The yield shall be equal to the average of the actual yield per acre on the farm for each of the 3 crop years in which yields were highest on the farm out of the 5 crop years 1973 through 1977.

"(3) Appraised yields.—If peanuts were not produced on the farm in at least 3 years during the 5-year period or there was a substantial change in the operation of the farm during the period (including a change in operator, lessee who is an operator, or irrigation practices), the Secretary shall have a yield appraised for the farm. The appraised yield shall be that quantity determined to be fair and reasonable on the basis of yields established for similar farms that are located in the area of the farm and on which peanuts were produced, taking into consideration land, labor, and equipment available for the production of peanuts, crop rotation practices, soil and water, and other relevant factors.

"(d) Referendum Respecting Poundage Quotas.—

"(1) In general.—Not later than December 15 of each calendar year, the Secretary shall conduct a referendum of producers engaged in the production of quota peanuts in the calendar year in which the referendum is held to determine whether the producers are in favor of or opposed to poundage quotas with respect to the crops of peanuts produced in the 5 calendar years immediately following the year in which the referendum is held, except that, if as many as two-thirds of the producers voting in any referendum vote in favor of poundage quotas, no referendum shall be held with respect to quotas ~~for the~~ second, third, fourth, and fifth years of the period.

"(2) Proclamation.—The Secretary shall proclaim the result of the referendum within 30 days after the date on which it is held.

"(3) Vote against quotas.—If more than one-third of the producers voting in the referendum vote against quotas, the Secretary also shall proclaim that poundage quotas will not be in effect with respect to the crop of peanuts produced in the calendar year immediately following the calendar year in which the referendum is held.

"(e) Definitions.—For the purposes of this part and title I of the Agricultural Act of 1949 (7 U.S.C. 1441 et seq.):

"(1) Additional peanuts.—The term 'additional peanuts' means, for any marketing year—

"(A) any peanuts that are marketed from a farm for which a farm poundage quota has been established and that are in excess of the marketings of quota peanuts from the farm for the year; and

"(B) all peanuts marketed from a farm for which no farm poundage quota has been established in accordance with subsection (b).

"(2) Crushing.—The term 'crushing' means the processing of peanuts to extract oil for food uses and meal for feed uses, or the processing of peanuts by crushing or otherwise when authorized by the Secretary.

"(3) Domestic edible use.—The term 'domestic edible use' means use for milling to produce domestic food peanuts (other than those described in paragraph (2)) and seed and use on a farm, except that the Secretary may exempt from this definition seeds of peanuts that are used to produce peanuts excluded

under section 359(c), are unique strains, and are not commercially available.

"(4) Quota peanuts.—The term 'quota peanuts' means, for any marketing year, any peanuts produced on a farm having a farm poundage quota, as determined in subsection (b), that—

"(A) are eligible for domestic edible use as determined by the Secretary;

"(B) are marketed or considered marketed from a farm; and

"(C) do not exceed the farm poundage quota of the farm for the year.

"(f) Crops.—Notwithstanding any other provision of law, this section shall be effective only for the 1991 through 1995 crops of peanuts.".

SEC. 803. SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA.

The Agricultural Adjustment Act of 1938 is amended by inserting after section 358a the following new section:

"SEC. 358b. SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA FOR 1991 THROUGH 1995 CROPS OF PEANUTS.

"(a) In General.—

"(1) Authority.—Subject to such terms, conditions, or limitations as the Secretary may prescribe, the owner, or operator with the permission of the owner, of any farm for which a farm poundage quota has been established under this Act may sell or lease all or any part of the poundage quota to any other owner or operator of a farm within the same county for transfer to the farm, except that any such lease of poundage quota may be entered into in the fall or after the normal planting season—

"(A) if not less than 90 percent of the basic quota (the farm quota exclusive of undermarketings and temporary quota transfers), plus any poundage quota transferred to the farm under this subsection, has been planted or considered planted on the farm from which the quota is to be leased; and

"(B) under such terms and conditions as the Secretary may by regulation prescribe.

In the case of a fall transfer or a transfer after the normal planting season by a cash lessee, the landowner shall not be required to sign the transfer authorization. A fall transfer or a transfer after the normal planting season may be made not later than 72 hours after the peanuts that are the subject of the transfer are inspected and graded.

"(2) Transfers to other self-owned farms.—The owner or operator of a farm may transfer all or any part of the farm poundage quota for the farm to any other farm owned or controlled by the owner or operator that is in the same county or in a county contiguous to the county in the same State and that had a farm poundage quota for the preceding year's crop. Any farm poundage quota transferred under this paragraph shall not result in any reduction in the farm poundage quota for the transferring farm if the transferred quota is produced or considered produced on the receiving farm.

"(3) TRANSFERS IN STATES WITH SMALL QUOTAS.—Notwithstanding paragraphs (1) and (2), in the case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the preceding year's crop, all or any part of a farm poundage quota may be transferred by sale or lease or otherwise from a farm in one county to a farm in another county in the same State.

"(b) CONDITIONS.—Transfers (including transfer by sale or lease) of farm poundage quotas under this section shall be subject to all of the following conditions:

"(1) LIENHOLDERS.—No transfer of the farm poundage quota from a farm subject to a mortgage or other lien shall be permitted unless the transfer is agreed to by the lienholders.

"(2) TILLABLE CROPLAND.—No transfer of the farm poundage quota shall be permitted if the county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) determines that the receiving farm does not have adequate tillable cropland to produce the farm poundage quota.

"(3) RECORD.—No transfer of the farm poundage quota shall be effective until a record thereof is filed with the county committee of the county to which the transfer is made and the committee determines that the transfer complies with this section.

"(4) OTHER TERMS.—Such other terms and conditions that the Secretary may by regulation prescribe.

"(c) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1991 through 1995 crops of peanuts.".

SEC. 804. MARKETING PENALTIES; DISPOSITION OF ADDITIONAL PEANUTS.

The Agricultural Adjustment Act of 1938 is amended by inserting after section 359 the following new section:

"SEC. 359a. MARKETING PENALTIES AND DISPOSITION OF ADDITIONAL PEANUTS FOR 1991 THROUGH 1995 CROPS OF PEANUTS.

"(a) MARKETING PENALTIES.—

"(1) IN GENERAL.—

"(A) MARKETING PEANUTS IN EXCESS OF QUOTA.—The marketing of any peanuts for domestic edible use in excess of the farm poundage quota for the farm on which the peanuts are produced shall be subject to penalty at a rate equal to 140 percent of the support price for quota peanuts for the marketing year in which the marketing occurs. The penalty shall not apply to the marketing of breeder or Foundation seed peanuts grown and marketed by a publicly owned agricultural experiment station (including a State operated seed organization) under such regulations as the Secretary may prescribe.

"(B) MARKETING YEAR.—For purposes of this section, the marketing year for peanuts shall be the 12-month period beginning August 1 and ending July 31.

"(C) MARKETING ADDITIONAL PEANUTS.—The marketing of any additional peanuts from a farm shall be subject to the same penalty unless the peanuts, in accordance with regulations established by the Secretary, are—

"(i) placed under loan at the additional loan rate in effect for the peanuts under section 108B of the Agricultural Act of 1949 and not redeemed by the producers;

"(ii) marketed through an area marketing association designated pursuant to section 108B(c)(1) of the Agricultural Act of 1949; or

"(iii) marketed under contracts between handlers and producers pursuant to subsection (f).

"(2) PAYER.—The penalty shall be paid by the person who buys or otherwise acquires the peanuts from the producer or, if the peanuts are marketed by the producer through an agent, the penalty shall be paid by the agent. The person or agent may deduct an amount equivalent to the penalty from the price paid to the producer.

"(3) FAILURE TO COLLECT.—If the person required to collect the penalty fails to collect the penalty, the person and all persons entitled to share in the peanuts marketed from the farm or the proceeds thereof shall be jointly and severally liable with such persons who failed to collect the penalty for the amount of the penalty.

"(4) APPLICATION OF QUOTA.—Peanuts produced in a calendar year in which farm poundage quotas are in effect for the marketing year beginning therein shall be subject to the quotas even though the peanuts are marketed prior to the date on which the marketing year begins.

"(5) FALSE INFORMATION.—If any producer falsely identifies, fails to accurately certify planted acres, or fails to account for the disposition of any peanuts produced on the planted acres, a quantity of peanuts equal to the greater of the farm's average or actual yield, as determined by the Secretary, times the planted acres, shall be deemed to have been marketed in violation of permissible uses of quota and additional peanuts. Any penalty payable under this paragraph shall be paid and remitted by the producer.

"(6) UNINTENTIONAL VIOLATIONS.—The Secretary shall authorize, under such regulations as the Secretary shall issue, the county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or reduce marketing penalties provided for under this subsection in cases which the committees determine that the violations that were the basis of the penalties were unintentional or without knowledge on the part of the parties concerned.

"(7) DE MINIMIS VIOLATIONS.—Errors in weight that do not exceed one-tenth of 1 percent in the case of any one marketing document shall not be considered to be marketing violations except in cases of fraud or conspiracy.

"(b) USE OF QUOTA AND ADDITIONAL PEANUTS.—

"(1) QUOTA PEANUTS.—Only quota peanuts may be retained for use as seed or for other uses on a farm. When peanuts are so retained, such retention shall be considered as marketings of quota peanuts, except that the Secretary may exempt from consideration as marketings of quota peanuts seeds of peanuts for the quantity involved that are used to produce peanuts excluded

under section 359(c), are unique strains, and are not commercially available.

"(2) ADDITIONAL PEANUTS.—Additional peanuts shall not be retained for use on a farm and shall not be marketed for domestic edible use, except as provided in subsection (g).

"(3) SEED.—Except as provided in paragraph (1), seed for planting of any peanut acreage in the United States shall be obtained solely from quota peanuts marketed or considered marketed for domestic edible use.

"(c) MARKETING PEANUTS WITH EXCESS QUANTITY, GRADE, OR QUALITY.—On a finding by the Secretary that the peanuts marketed from any crop for domestic edible use by a handler are larger in quantity or higher in grade or quality than the peanuts that could reasonably be produced from the quantity of peanuts having the grade, kernel content, and quality of the quota peanuts acquired by the handler from the crop for the marketing, the handler shall be subject to a penalty equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts that the Secretary determines are in excess of the quantity, grade, or quality of the peanuts that could reasonably have been produced from the peanuts so acquired.

"(d) HANDLING AND DISPOSAL OF ADDITIONAL PEANUTS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall require that the handling and disposal of additional peanuts be supervised by agents of the Secretary or by area marketing associations designated pursuant to section 108B(c)(1) of the Agricultural Act of 1949.

"(2) SUPERVISION BY NONHANDLERS.—

"(A) IN GENERAL.—Supervision of the handling and disposal of additional peanuts by a handler shall not be required under paragraph (1) if the handler agrees in writing, prior to any handling or disposal of the peanuts, to comply with regulations that the Secretary shall issue.

"(B) REGULATIONS.—The regulations issued by the Secretary under subparagraph (A) shall include the following provisions:

"(i) TYPES OF EXPORTED OR CRUSHED PEANUTS.—Handlers of shelled or milled peanuts may export or crush peanuts classified by type in all of the following quantities:

"(I) SOUND SPLIT KERNEL PEANUTS.—Sound split kernel peanuts purchased by the handler as additional peanuts to which, under price support loan schedules, a mandated deduction with respect to the price paid to the producer of the peanuts would be applied due to the percentage of the sound splits.

"(II) SOUND MATURE KERNEL PEANUTS.—Sound mature kernel peanuts (which term includes sound split kernel peanuts and sound whole kernel peanuts) in an amount equal to the poundage of the peanuts purchased by the handler as additional peanuts, less the total poundage of sound split kernel peanuts described in subclause (I).

"(III) REMAINDER.—The remaining quantity of total kernel content of peanuts purchased by the handler as additional peanuts.

"(ii) DOCUMENTATION.—Handlers shall ensure that any additional peanuts exported or crushed are evidenced by onboard bills of lading or other appropriate documentation as may be required by the Secretary, or both.

"(iii) LOSS OF PEANUTS.—If a handler suffers a loss of peanuts as a result of fire, flood, or any other condition beyond the control of the handler, the portion of the loss allocated to contracted additional peanuts shall not be greater than the portion of the handler's total peanut purchases for the year attributable to contracted additional peanuts purchased for export or crushing by the handler during the year.

"(iv) SHRINKAGE ALLOWANCE.—

"(I) IN GENERAL.—The obligation of a handler to export or crush peanuts in quantities described in this subparagraph shall be reduced by a shrinkage allowance, to be determined by the Secretary, to reflect actual dollar value shrinkage experienced by handlers in commercial operations, except that the allowance shall not be less than 4 percent, except as provided in subclause (II).

"(II) COMMON INDUSTRY PRACTICES.—The Secretary may provide a lower shrinkage allowance for a handler who fails to comply with restrictions on the use of peanuts, as may be specified by the Commodity Credit Corporation, to take into account common industry practices.

"(3) ADEQUATE FINANCES AND FACILITIES.—A handler shall submit to the Secretary adequate financial guarantees, as well as evidence of adequate facilities and assets, with the facilities under the control and operation of the handler, to ensure the handler's compliance with the obligation to export peanuts.

"(4) COMMINGLING OF LIKE PEANUTS.—Quota and additional peanuts of like type and segregation or quality may, under regulations issued by the Secretary, be commingled and exchanged on a dollar value basis to facilitate warehousing, handling, and marketing.

"(5) PENALTY.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the failure by a handler to comply with regulations issued by the Secretary governing the disposition and handling of additional peanuts shall subject the handler to a penalty at a rate equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts involved in the violation.

"(B) NONDELIVERY.—A handler shall not be subject to a penalty for failure to export additional peanuts if the peanuts were not delivered to the handler.

"(6) REENTRY OF EXPORTED PEANUTS.—If any additional peanuts exported by a handler are reentered into the United States

in commercial quantities as determined by the Secretary, the importer thereof shall be subject to a penalty at a rate equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts reentered.

"(e) Special Export Credits.—

"(1) In general.—The Secretary shall, with due regard for the integrity of the peanut program, promulgate regulations that will permit any handler of peanuts who manufactures peanut products from domestic edible peanuts to export the products and receive credit for the fulfillment of export obligations for the peanut content of the products against which the export credits the handler may thereafter apply, up to the amount thereof, equivalent quantities of additional peanuts of the same type acquired by the handler and used in the domestic edible market. The peanuts so acquired for the domestic edible market as provided in this subsection shall be of the same crop year as the peanuts used in the manufacture of the products so exported.

"(2) Certification.—Under such regulations, the Secretary shall require all handlers who are peanut product manufacturers to submit annual certifications of peanut product content on a product-by-product basis. Any changes in peanut product formulas as affecting peanut content shall be recorded within 90 days of the changes. The Secretary shall conduct an annual review of the certifications. The Secretary shall pursue all available remedies with respect to persons who fail to comply with this paragraph.

"(3) Records.—The Secretary shall require handlers who are peanut product manufacturers to maintain and provide such documents as are necessary to ensure compliance with this subsection and to maintain the integrity of the peanut program.

"(f) Contracts for Purchase of Additional Peanuts.—

"(1) In general.—Handlers may, under such regulations as the Secretary may issue, contract with producers for the purchase of additional peanuts for crushing or export, or both.

"(2) Submission to secretary.—

"(A) Contract deadline.—Any such contract shall be completed and submitted to the Secretary (or if designated by the Secretary, the area marketing association) for approval not later than September 15 of the year in which the crop is produced.

"(B) Extension of deadline.—The Secretary may extend the deadline under subparagraph (A) by up to 15 days in response to damaging weather or related condition (as defined in section 112 of the Disaster Assistance Act of 1989 (7 U.S.C. 1421 et seq.)). The Secretary shall announce the extension no later than September 5 of the year in which the crop is produced.

"(3) Form.—The contract shall be executed on a form prescribed by the Secretary. The form shall require such information as the Secretary determines appropriate to ensure the proper handling of the additional peanuts, including the identity of the contracting parties, the poundage, and category of the

peanuts, the disclosure of any liens, and the intended disposition of the peanuts.

"(4) INFORMATION FOR HANDLING AND PROCESSING ADDITIONAL PEANUTS.—Notwithstanding any other provision of this section, any person wishing to handle and process additional peanuts as a handler shall submit to the Secretary (or if designated by the Secretary, the area marketing association), such information as may be required under subsection (d) by such date as prescribed by the Secretary so as to permit final action to be taken on the application by July 1 of each marketing year.

"(5) TERMS.—Each such contract shall contain the final price to be paid by the handler for the peanuts involved and a specific prohibition against the disposition of the peanuts for domestic edible or seed use.

"(6) SUSPENSION OF RESTRICTIONS ON IMPORTED PEANUTS.—Notwithstanding any other provision of this Act, if the President issues a proclamation under section 22 of the Agricultural Adjustment Act (7 U.S.C. 624), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, temporarily suspending restrictions on the importation of peanuts, the Secretary shall, subject to such terms and conditions as the Secretary may prescribe, permit a handler, with the written consent of the producer, to purchase additional peanuts from any producer who contracted with the handler and to offer the peanuts for sale for domestic edible use.

"(g) MARKETING OF PEANUTS OWNED OR CONTROLLED BY THE COMMODITY CREDIT CORPORATION.—

"(1) IN GENERAL.—Subject to section 407 of the Agricultural Act of 1949 (7 U.S.C. 1427), any peanuts owned or controlled by the Commodity Credit Corporation may be made available for domestic edible use, in accordance with regulations issued by the Secretary, so long as doing so does not result in substantially increased cost to the Commodity Credit Corporation. Additional peanuts received under loan shall be offered for sale for domestic edible use at prices not less than those required to cover all costs incurred with respect to the peanuts for such items as inspection, warehousing, shrinkage, and other expenses, plus—

"(A) not less than 100 percent of the loan value of quota peanuts if the additional peanuts are sold and paid for during the harvest season on delivery by and with the written consent of the producer;

"(B) not less than 105 percent of the loan value of quota peanuts if the additional peanuts are sold after delivery by the producer but not later than December 31 of the marketing year; or

"(C) not less than 107 percent of the loan value of quota peanuts if the additional peanuts are sold later than December 31 of the marketing year.

"(2) ACCEPTANCE OF BIDS BY AREA MARKETING ASSOCIATIONS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), for the period from the date additional peanuts are delivered for loan to March 1 of the calendar year following

the year in which the additional peanuts were harvested, the area marketing association designated pursuant to section 108B(c)(1) of the Agricultural Act of 1949 shall have sole authority to accept or reject lot list bids when the sales price, as determined under this subsection, equals or exceeds the minimum price at which the Commodity Credit Corporation may sell its stocks of additional peanuts.

"(B) MODIFICATION.—The area marketing association and the Commodity Credit Corporation may agree to modify the authority granted by subparagraph (A) to facilitate the orderly marketing of additional peanuts.

"(3) PRODUCER MARKETING AND EXPENSES.—Notwithstanding any other provision of this Act, the Secretary shall, in any determination required under subsections (a)(2) and (b)(1) of section 108B of the Agricultural Act of 1949, include any additional marketing expenses required by law, excluding the amount of any assessment required under the Omnibus Budget Reconciliation Act of 1990.

"(h) ADMINISTRATION.—

"(1) INTEREST.—The person liable for payment or collection of any penalty provided for in this section shall be liable also for interest thereon at a rate per annum equal to the rate per annum of interest that was charged the Commodity Credit Corporation by the Treasury of the United States on the date the penalty became due.

"(2) DE MINIMIS QUANTITY.—This section shall not apply to peanuts produced on any farm on which the acreage harvested for nuts is one acre or less if the producers who share in the peanuts produced on the farm do not share in the peanuts produced on any other farm.

"(3) LIENS.—Until the amount of the penalty provided by this section is paid, a lien on the crop of peanuts with respect to which the penalty is incurred, and on any subsequent crop of peanuts subject to farm poundage quotas in which the person liable for payment of the penalty has an interest, shall be in effect in favor of the United States.

"(4) PENALTIES.—

"(A) PROCEDURES.—Notwithstanding any other provision of law, the liability for and the amount of any penalty assessed under this section shall be determined in accordance with such procedures as the Secretary by regulation may prescribe. The facts constituting the basis for determining the liability for or amount of any penalty assessed under this section, when officially determined in conformity with the applicable regulations prescribed by the Secretary, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Government.

"(B) JUDICIAL REVIEW.—Nothing in this section shall be construed as prohibiting any court of competent jurisdiction from reviewing any determination made by the Secretary with respect to whether the determination was made in conformity with the applicable law and regulations.

"(C) CIVIL PENALTIES.—All penalties imposed under this section shall for all purposes be considered civil penalties.

"(5) REDUCTION OF PENALTIES.—

"(A) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subparagraph (B), the Secretary may reduce the amount of any penalty assessed against handlers under this section by any appropriate amount, including, in an appropriate case, eliminating the penalty entirely, if the Secretary finds that the violation on which the penalty is based was minor or inadvertent, and that the reduction of the penalty will not impair the operation of the peanut program.

"(B) FAILURE TO EXPORT CONTRACTED ADDITIONAL PEANUTS.—The amount of any penalty imposed on a handler under this section that resulted from the failure to export or crush contracted additional peanuts shall not be reduced by the Secretary.

"(i) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1991 through 1995 crops of peanuts.".

SEC. 805. EXPERIMENTAL AND RESEARCH PROGRAMS FOR PEANUTS.

The Agricultural Adjustment Act of 1938 (as amended by section 803 of this Act) is further amended by inserting after section 358b the following new section:

"SEC. 358c. EXPERIMENTAL AND RESEARCH PROGRAMS FOR PEANUTS.

"(a) IN GENERAL.—Notwithstanding any other provision of this Act, the Secretary may permit a portion of the poundage quota for peanuts apportioned to any State to be allocated from the State's quota reserve to land-grant institutions identified in the Act of May 8, 1914 (38 Stat. 372, chapter 79; 7 U.S.C. 341 et seq.), and colleges eligible to receive funds under the Act of August 30, 1890 (26 Stat. 419, chapter 841; 7 U.S.C. 321 et seq.), including Tuskegee Institute and, as appropriate, the Agricultural Research Service of the Department of Agriculture to be used for experimental and research purposes.

"(b) QUANTITY.—The quantity of the quota allocated to an institution under this section shall not exceed the quantity of the quota held by each such institution during the 1985 crop year, except that the total quantity allocated to all institutions in a State shall not exceed $\frac{1}{10}$ of 1 percent of the State's basic quota.

"(c) LIMITATION.—The director of the agricultural experiment station for a State shall be required to ensure, to the extent practicable, that farm operators in the State do not produce quota peanuts under subsection (a) in excess of the quantity needed for experimental and research purposes.

"(d) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1991 through 1995 crops of peanuts.".

SEC. 806. PRICE SUPPORT PROGRAM.

The Agricultural Act of 1949 is amended—

(1) by repealing sections 108 and 108A (7 U.S.C. 1445c and 1445c–1);

(2) by redesignating section 108B (7 U.S.C. 1445c–2) as section 108A; and

(3) by inserting after section 108A (as so redesignated) the following new section:

"SEC. 108B. PRICE SUPPORT PROGRAM FOR 1991 THROUGH 1995 CROPS OF PEANUTS.

"(a) QUOTA PEANUTS.—

"(1) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, and other operations on quota peanuts for each of the 1991 through 1995 crops.

"(2) SUPPORT RATES.—The national average quota support rate for each of the 1991 through 1995 crops of quota peanuts shall be the national average quota support rate for the immediately preceding crop, adjusted to reflect any increase, during the calendar year immediately preceding the marketing year for the crop for which a level of support is being determined, in the national average cost of peanut production, excluding any change in the cost of land, except that in no event shall the national average quota support rate for any such crop exceed by more than 5 percent the national average quota support rate for the preceding crop.

"(3) INSPECTION, HANDLING, OR STORAGE.—The levels of support so announced shall not be reduced by any deductions for inspection, handling, or storage.

"(4) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments for location of peanuts and such other factors as are authorized by section 403.

"(5) ANNOUNCEMENT.—The Secretary shall announce the level of support for quota peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the level of support is being determined.

"(b) ADDITIONAL PEANUTS.—

"(1) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, or other operations on additional peanuts for each of the 1991 through 1995 crops at such levels as the Secretary finds appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets, except that the Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of the peanuts.

"(2) ANNOUNCEMENT.—The Secretary shall announce the level of support for additional peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the level of support is being determined.

"(c) AREA MARKETING ASSOCIATIONS.—

"(1) WAREHOUSE STORAGE LOANS.—

"(A) IN GENERAL.—In carrying out subsections (a) and (b), the Secretary shall make warehouse storage loans available in each of the three producing areas (described in section 1446.95 of title 7 of the Code of Federal Regulations (January 1, 1989)) to a designated area marketing association of

peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and sections 359 and 359a of the Agricultural Adjustment Act of 1938.

"(B) ADMINISTRATIVE AND SUPERVISORY ACTIVITIES.—The area marketing associations shall be used in administrative and supervisory activities relating to price support and marketing activities under this section and sections 359 and 359a of the Agricultural Adjustment Act of 1938.

"(C) ASSOCIATION COSTS.—Loans made to the association under this paragraph shall include, in addition to the price support value of the peanuts, such costs as the area marketing association reasonably may incur in carrying out its responsibilities, operations, and activities under this section and sections 359 and 359a of the Agricultural Adjustment Act of 1938.

"(2) POOLS FOR QUOTA AND ADDITIONAL PEANUTS.—

"(A) IN GENERAL.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico. Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

"(B) NET GAINS.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

"(i) QUOTA PEANUTS.—For quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool plus an amount from all additional pool gains equal to any loss on disposition of all peanuts in the pool for quota peanuts.

"(ii) ADDITIONAL PEANUTS.—For additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts less any amount allocated to offset any loss on the pool for quota peanuts as provided in clause (i).

"(d) LOSSES.—Notwithstanding any other provision of this section:

"(1) QUOTA PEANUTS PLACED UNDER LOAN.—Any distribution of net gains on additional peanuts (other than net gains on additional peanuts in separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico)

shall be first reduced to the extent of any loss by the Commodity Credit Corporation on quota peanuts placed under loan.

"(2) QUOTA LOAN POOLS.—

"(A) TRANSFERS FROM ADDITIONAL LOAN POOLS.—The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool by such producer under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938.

"(B) OTHER LOSSES.—Losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938, shall be offset by any gains or profits from pools in other production areas (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

"(e) DISAPPROVAL OF QUOTAS.—Notwithstanding any other provision of law, no price support may be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358–1(d) of the Agricultural Adjustment Act of 1938.

"(f) QUALITY IMPROVEMENT.—

"(1) PRICE SUPPORT PEANUTS.—With respect to peanuts under price support loan, the Secretary shall—

"(A) promote the crushing of peanuts at a greater risk of deterioration before peanuts of a lesser risk of deterioration;

"(B) ensure that all Commodity Credit Corporation loan stocks of peanuts sold for domestic edible use must be shown to have been officially inspected by licensed Department of Agriculture inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

"(C) continue to endeavor to operate the peanut price support program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.)); and

"(D) ensure that any changes made in the price support program as a result of this subsection requiring additional production or handling at the farm level shall be reflected as an upward adjustment in the Department of Agriculture loan schedule.

"(2) EXPORTS AND OTHER PEANUTS.—The Secretary shall require that all peanuts in the domestic market fully comply with all quality standards under Marketing Agreement No. 146. The Secretary shall ensure that peanuts produced for the export market meet quality standards established for the domestic market under Marketing Agreement No. 146.

"(g) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1991 through 1995 crops of peanuts.".

SEC. 807. REPORTS AND RECORDS.

Effective only for the 1991 through 1995 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is amended by inserting before "all brokers and dealers in peanuts" the following: "all producers engaged in the production of peanuts,".

SEC. 808. SUSPENSION OF CERTAIN PRICE SUPPORT PROVISIONS.

Section 101 of the Agricultural Act of 1949 (7 U.S.C. 1441) shall not be applicable to the 1991 through 1995 crops of peanuts.

SEC. 809. REGULATIONS.

The Secretary of Agriculture shall issue such regulations as are necessary to carry out this title and the amendments made by this title. In issuing the regulations, the Secretary—

(1) is encouraged to comply with subchapter II of chapter 5 of title 5, United States Code;

(2) shall provide public notice through the Federal Register of any such proposed regulations; and

(3) shall allow adequate time for written public comment prior to the formulation and issuance of any final regulations.

TITLE IX—SUGAR

SEC. 901. SUGAR PRICE SUPPORT.

Title II of the Agricultural Act of 1949 (7 U.S.C. 1446 et seq.) (as amended by section 701 of this Act) is further amended—

(1) in the matter preceding subsection (a) of section 201 (7 U.S.C. 1446), by striking "honey, and milk" and inserting "honey, milk, sugar beets, and sugarcane"; and

(2) by adding at the end the following new section:

"SEC. 206. SUGAR PRICE SUPPORT FOR 1991 THROUGH 1995 CROPS.

"(a) IN GENERAL.—The price of each of the 1991 through 1995 crops of sugar beets and sugarcane, respectively, shall be supported in accordance with this section.

"(b) SUGARCANE.—The Secretary shall support the price of domestically grown sugarcane through nonrecourse loans at such level as the Secretary determines appropriate, but not less than 18 cents per pound for raw cane sugar.

"(c) SUGAR BEETS.—The Secretary shall support the price of each of the 1991 through 1995 crops of crop of domestically grown sugar beets through nonrecourse loans at such level for each such crop as the Secretary determines reflects—

"(1) an amount that bears the same relation to the support level for the crop of sugarcane under subsection (b) as the weighted average of producer returns for sugar beets bears to the weighted average of producer returns for sugarcane, expressed on a cents per pound basis for refined beet sugar and raw cane sugar, for the most recent 5-year period for which data are available; plus

"(2) an amount that covers sugar beet processor fixed marketing expenses.

"(d) ADJUSTMENT IN SUPPORT PRICE.—

"(1) In general.—The Secretary may increase the support price for each of the 1991 through 1995 crops of domestically grown sugarcane and sugar beets from the price determined for the preceding crop based on such factors as the Secretary determines appropriate, including changes (during the 2 crop years immediately preceding the crop year for which the determination is made) in the cost of sugar products, the cost of domestic sugar production, and other circumstances that may adversely affect domestic sugar production.

"(2) Report.—If the Secretary makes a determination not to increase the support price under paragraph (1), the Secretary shall submit a report containing the findings, decision, and supporting data for the determination to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(e) Announcements.—The Secretary shall announce the loan rate to be applicable during any fiscal year under this section as far in advance of the beginning of that fiscal year as is practicable consistent with the purposes of this section.

"(f) Term.—Loans under this section during any fiscal year shall be made available not earlier than the beginning of the fiscal year and shall mature at the earlier of—

"(1) the end of 9 months; or

"(2) the end of the fiscal year.

"(g) Supplementary Nonrecourse Loans.—In the case of sugar beet producing areas in which sugar beets normally are harvested during the last 3 months of a fiscal year, the Secretary shall make available, to each borrower of a loan made and repaid under this section during the last 3 months of the fiscal year on sugar processed from sugar beets so harvested, a supplementary nonrecourse loan in addition to the initial loan. In each case, the supplementary loan shall—

"(1) be made available to the borrower as of the first day of the following fiscal year;

"(2) be made at the same loan rate as the initial loan; and

"(3) mature in 9 months less the amount of time that the initial loan was in effect.

"(h) Use of Commodity Credit Corporation.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this section.

"(i) Crops.—This section shall be effective only for the 1991 through 1995 crops of sugar beets and sugarcane.".

SEC. 902. MARKETING ALLOTMENTS FOR SUGAR AND CRYSTALLINE FRUCTOSE.

Subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1311 et seq.) is amended by adding at the end the following new part:

"PART VII—MARKETING QUOTAS—SUGAR AND CRYSTALLINE FRUCTOSE

"SEC. 359a. INFORMATION REPORTING.

"(a) DUTY TO REPORT.—All cane sugar refiners and sugar beet processors and all manufacturers of crystalline fructose from corn (hereafter in this part referred to as 'crystalline fructose') shall furnish the Secretary, on a monthly basis, such information as the Secretary may require with respect to the person's importation, distribution, and stock levels of sugar or crystalline fructose, respectively.

"(b) PENALTY.—Any person willfully failing or refusing to furnish the information, or furnishing willfully any false information, shall be subject to a civil penalty of not more than $10,000 for each such violation.

"(c) MONTHLY REPORTS.—Taking into consideration the information received under subsection (a), the Secretary shall publish on a monthly basis composite data on imports, distribution, and stock levels of sugar and crystalline fructose.

"SEC. 359b. MARKETING ALLOTMENTS FOR SUGAR AND CRYSTALLINE FRUCTOSE.

"(a) SUGAR ESTIMATES.—

"(1) IN GENERAL.—Before the beginning of each of the fiscal years 1992 through 1996, the Secretary shall estimate—

"(A) the quantity of sugar that will be consumed in the customs territory of the United States during the fiscal year (other than sugar imported for purposes other than human consumption);

"(B) the quantity of sugar that will be available from carry-in stocks or from domestically-produced sugarcane and sugar beets for consumption in the United States during the year; and

"(C) the quantity of sugar that will be imported for consumption during the year (other than sugar imported for purposes other than human consumption), based on the difference between—

"(i) the quantity of estimated consumption; and

"(ii) the quantity of sugar estimated to be available from domestically-produced sugarcane and sugar beets and from carry-in stocks.

"(2) QUARTERLY REESTIMATES.—The Secretary shall make quarterly reestimates of sugar consumption, availability, and imports for a fiscal year no later than the beginning of each of the second through fourth quarters of the fiscal year.

"(b) SUGAR ALLOTMENTS.—

"(1) IN GENERAL.—For any fiscal year in which the Secretary estimates, under subsection (a), that imports of sugar for consumption in the United States will be less than 1,250,000 short tons, raw value, the Secretary shall establish for that year appropriate allotments under section 359c for the marketing by processors of sugar processed from domestically-produced sugarcane and sugar beets in a manner that is fair, efficient, and equitable to producers, processors, and refiners, at a level that the

Secretary estimates will result in imports of sugar of not less than 1,250,000 short tons, raw value, for that year.

"(2) Products.—The Secretary may include products of sugar in the allotments under paragraph (1) if the Secretary determines it to be appropriate for purposes of this part.

"(c) Crystalline Fructose Allotments.—For any fiscal year in which the Secretary establishes allotments for the marketing of sugar under section 359c, the Secretary shall establish for that year appropriate allotments for the marketing by manufacturers of crystalline fructose manufactured from corn, at a total level not to exceed the equivalent of 200,000 tons of sugar, raw value, during the fiscal year, in a manner that is fair, efficient, and equitable to manufacturers.

"(d) Prohibitions.—

"(1) Sugar.—

"(A) Exceeding allocation.—At any time allotments are in effect and allocated to processors under section 359d, the total of—

"(i) the quantity of sugar marketed by a processor, plus

"(ii) the quantity of sugar pledged as collateral by the processor for a price support loan under section 206 of the Agricultural Act of 1949,

shall not exceed the quantity of the allocation of the allotment made to the processor.

"(B) Exceptions.—Subparagraph (A) shall not apply—

"(i) to the marketing during a fiscal year of sugar pledged in that fiscal year as collateral for a price support loan under section 206 of the Agricultural Act of 1949 after the sugar has been subsequently redeemed; or

"(ii) to any sale of sugar by a processor to another processor made to enable the other processor to fulfill the quantity of the allocation of the allotment made to the other processor.

"(2) Crystalline fructose.—At any time crystalline fructose allotments are in effect for manufacturers under subsection (c), no manufacturer may market crystalline fructose in excess of the manufacturer's allotment. No restrictions or allotments shall be established on the marketings of any liquid fructose produced from corn.

"(3) Civil penalty.—Any processor who violates paragraph (1) or manufacturer who violates paragraph (2) shall be liable to the Commodity Credit Corporation for a civil penalty in an amount equal to 3 times the United States market value, at the time of the commission of the violation, of that quantity of sugar or crystalline fructose involved in the violation.

"(4) Definition of market.—For purposes of this part, the term 'market' shall mean to sell or otherwise dispose of in commerce in the United States.

"SEC. 359c. ESTABLISHMENT OF MARKETING ALLOTMENTS.

"(a) IN GENERAL.—The Secretary shall establish marketing allotments for sugar for any fiscal year in which the allotments are required under section 359b(b) in accordance with this section.

"(b) OVERALL ALLOTMENT QUANTITY.—

"(1) IN GENERAL.—The Secretary shall establish the overall quantity of sugar to be allotted for the fiscal year (hereafter in this part referred to as the 'overall allotment quantity') by deducting from the estimated sugar consumption for the fiscal year, as determined under section 359b(a)—

"(A) 1,250,000 short tons, raw value (representing minimum imports of sugar for consumption in the United States during the fiscal year); and

"(B) carry-in stocks of sugar, including sugar in Commodity Credit Corporation inventory.

(2) ADJUSTMENT.—The Secretary shall adjust the overall allotment quantity to the maximum extent practicable to prevent the accumulation of sugar acquired by the Commodity Credit Corporation.

"(c) ALLOTMENT.—The overall allotment quantity for the fiscal year shall be allotted among—

"(1) sugar derived from sugar beets; and

"(2) sugar derived from sugarcane.

"(d) PERCENTAGE FACTORS.—

"(1) IN GENERAL.—The Secretary shall establish percentage factors for the overall beet sugar and cane sugar allotments applicable for a fiscal year. The Secretary shall establish the percentage factors in a fair and equitable manner on the basis of past marketings of sugar (considering for such purposes the marketings of sugar processed from sugarcane and sugar beets of any or all of the 1985 through 1989 crops), processing and refining capacity, and the ability of processors to market the sugar covered under the allotments.

"(2) PUBLICATION.—The Secretary shall publish these percentage factors in the Federal Register, along with a description of the Secretary's reasons for establishing the factors, as provided in section 359h(c).

"(e) MARKETING ALLOTMENT.—The marketing allotment for sugar derived from sugarcane and the marketing allotment for sugar derived from sugar beets for a fiscal year, in each case, shall be a quantity equal to the product of multiplying the overall allotment quantity for the fiscal year by the percentage factor established by the Secretary under subsection (d)(1) for the allotment.

"(f) STATE SUGARCANE ALLOTMENT.—The allotment for sugar derived from sugarcane shall be further allotted among the 5 States in the United States in which sugarcane is produced in a fair and equitable manner on the basis of past marketings of sugar (considering for such purposes the average of marketings of sugar processed from sugarcane in the 2 highest years of production from each State from the 1985 through 1989 crops), processing capacity, and the ability of processors to market the sugar covered under the allotments.

"(g) ADJUSTMENT OF MARKETING ALLOTMENTS.—

"(1) IN GENERAL.—The Secretary shall, based on reestimates under section 359b(a)(2), adjust upward or downward marketing

allotments established under subsections (a) through (f) in a fair and equitable manner, or suspend the allotments, as the Secretary determines appropriate, to reflect changes in estimated sugar consumption, availability, or imports.

"(2) ALLOCATION TO PROCESSORS.—In the case of any increase or decrease in an allotment, each allocation to a processor of the allotment under section 359d, and each proportionate share established with respect to the allotment under section 359f(b), shall be increased or decreased by the same percentage that the allotment is increased or decreased.

"(3) REDUCTIONS.—Whenever a marketing allotment for a fiscal year is required to be reduced during the fiscal year under this paragraph—

"(A) if the quantity of the sugar marketed, including sugar pledged as collateral for a price support loan under section 206 of the Agricultural Act of 1949, for the fiscal year at the time of the reduction under the allotment by all processors covered by the allotment exceeds the reduced allotment, the quantity of the excess sugar marketed shall be deducted—

"(i) if beet sugar is involved, from the marketing allotment, if any, next established for beet sugar; or

"(ii) if cane sugar is involved, from the marketing allotment next established for the State; and

"(B) if the quantity of sugar marketed, including sugar pledged as collateral for a price support loan under section 206 of the Agricultural Act of 1949, for the fiscal year at the time of the reduction by any individual processor covered by the allotment exceeds the processor's reduced allocation, the quantity of the excess sugar marketed shall be deducted from the allocation of an allotment, if any, next established for the processor.

"(h) FILLING SUGARCANE AND SUGAR BEET ALLOTMENTS.—Except as otherwise provided in section 359e, each marketing allotment of sugarcane established under this section may only be filled with sugar processed from domestically grown sugarcane, and each marketing allotment of sugar beets established under this section may only be filled with sugar processed from domestically grown sugar beets.

"SEC. 359d. ALLOCATION OF MARKETING ALLOTMENTS.

"(a) IN GENERAL.—

"(1) ALLOCATION TO PROCESSORS.—Whenever marketing allotments are established for a fiscal year under section 359c, in order to afford all interested persons an equitable opportunity to market sugar under an allotment, the Secretary shall allocate each such allotment among the processors covered by the allotment.

"(2) HEARING AND NOTICE.—

"(A) CANE SUGAR.—The Secretary shall make allocations for cane sugar after such hearing and on such notice as the Secretary by regulation may prescribe, in such manner and in such quantities as to provide a fair, efficient, and equitable distribution of the allocations by taking into consider-

ation processing capacity, past marketings of sugar, and the ability of each processor to market sugar covered by that portion of the allotment allocated. Each such allocation shall be subject to adjustment under section 359c(g).

"(B) Beet sugar.—The Secretary shall make allocations for beet sugar after such hearing and on such notice as the Secretary by regulation may prescribe, in such manner and in such quantities as to provide a fair, efficient, and equitable distribution of the allocations by taking into consideration processing capacity, past marketings of sugar (considering for the purposes the marketings of sugar processed from sugar beets of any or all of the 1985 through 1989 crops), and the ability of each processor to market sugar covered by that portion of the allotment allocated. Each such allocation shall be subject to adjustment under section 359c(g).

"(b) Filling Cane Sugar Allotments.—Except as otherwise provided in section 359e, the marketing allotment established for cane sugar under this part for a fiscal year may be filled only with sugar processed from sugarcane grown in the State covered by the allotment.

"SEC. 359e. ASSIGNMENTS OF DEFICITS.

"(a) Estimates of Marketing.—At any time allotments are in effect under this part, the Secretary, from time to time, shall determine whether (in view of then-current inventories of sugar, the estimated production of sugar and expected marketings, and other pertinent factors) processors of sugarcane in each State covered by an allotment will be able to market the sugar covered by the allotment applicable to them and whether processors of sugar beets will be able to market sugar covered by the portion of the beet sugar allotment applicable to them.

"(b) Reassignment of Deficits.—

"(1) Cane sugar.—If the Secretary determines that the sugarcane processors subject to a State allotment will be unable to market the State's allotment for the fiscal year—

"(A) the Secretary first shall reassign the estimated quantity of the deficit proportionately to the allocations for other processors within that State;

"(B) if after the reassignments the deficit cannot be completely eliminated, the Secretary shall reassign the estimated quantity of the deficit proportionately to the allotments for other cane sugar States, depending on the capacity of each other State to fill the portion of the deficit to be assigned to it, with the reassigned quantity to each State to be allocated among processors in that State in proportion to the allocations of the processors; and

"(C) if after the reassignments, the deficit cannot be completely eliminated, the Secretary shall reassign the remainder to imports.

"(2) Beet sugar.—If the Secretary determines that a sugar beet processor subject to an allotment will be unable to market that allotment—

"(A) the Secretary first shall reassign the estimated quantity of the deficit proportionately to the allotments for other sugar beet processors, depending on the capacity of each other processor to fill the portion of the deficit to be assigned to it; and

"(B) if after the reassignments, the deficit cannot be completely eliminated, the Secretary shall reassign the remainder to imports.

"(3) CORRESPONDING INCREASE.—The allocation of each processor receiving a reassigned quantity of an allotment under this subsection for a fiscal year shall be increased to reflect the reassignment.

"SEC. 359f. PROVISIONS APPLICABLE TO PRODUCERS.

"(a) PROCESSOR ASSURANCES.—Whenever allotments for a fiscal year are allocated to processors under section 359d, the Secretary shall obtain from the processors such assurances as the Secretary considers adequate that the allocation will be shared among producers served by the processor in a fair and equitable manner that adequately reflects producers' production histories. Any dispute between a processor and a producer, or group of producers, with respect to the sharing of the processor's allocation shall be resolved through arbitration by the Secretary on the request of either party.

"(b) PROPORTIONATE SHARES OF CERTAIN ALLOTMENTS.—

"(1) IN GENERAL.—

"(A) STATES AFFECTED.—In any case in which a State allotment is established under section 359c(f) and there are in excess of 250 producers in such State, the Secretary shall make a determination under subparagraph (B).

"(B) DETERMINATION.—The Secretary shall determine, for each State allotment described in subparagraph (A), whether the production of sugar, in the absence of proportionate shares, will be greater than the quantity needed to enable processors to fill the allotment and provide a normal carryover inventory.

"(2) ESTABLISHMENT OF PROPORTIONATE SHARES.—If the Secretary determines under paragraph (1) that the quantity of sugar processed from all crops by all processors covered by a State allotment for a fiscal year will be in excess of the quantity needed to enable processors to fill the allotment for the fiscal year and provide a normal carryover inventory, the Secretary shall establish proportionate shares for the crop of sugarcane that is harvested during the fiscal year the allotment is in effect as provided in this subsection. Each such proportionate share shall be subject to adjustment under section 359c(g).

"(3) METHOD OF DETERMINING.—For purposes of determining proportionate shares for any crop of sugarcane:

"(A) The Secretary shall establish the State's per-acre yield goal for a crop at a level (not less than the average per-acre yield in the State for the preceding 5 years, as determined by the Secretary) that will ensure an adequate net return per pound to producers in the State, taking into consideration any available production research data that the Secretary deems relevant.

"(B) The Secretary shall convert the State allotment for the fiscal year involved into a State acreage allotment for the crop by dividing the State allotment by the per-acre yield goal for the State, as established under subparagraph (A).

"(C) The Secretary shall establish a uniform reduction percentage for the crop by dividing the State acreage allotment, as determined for the crop under subparagraph (B), by the sum of all acreage bases in the State, as determined by the Secretary, that the Secretary estimates would otherwise be harvested for the production of the crop of sugarcane.

"(D) The uniform reduction percentage for the crop, as determined under subparagraph (C), shall be applied to the acreage base for each farm covered by the State allotment to determine the farm's proportionate share for the crop.

"(4) ACREAGE BASE.—For purposes of this subsection, the acreage base for each sugarcane-producing farm shall be determined by the Secretary, as follows:

"(A) The acreage base for any crop shall be the number of acres that is equal to the average of the acreage planted and considered planted for harvest for sugar or seed on the farm in each of the 5 crop years preceding the crop year.

"(B) Acreage that producers on a farm were unable to harvest to sugarcane for sugar or seed because of drought, flood, other natural disaster, or other condition beyond the control of the producers shall be considered as harvested to sugarcane for sugar or seed for purposes of this paragraph.

"(5) VIOLATION.—

"(A) IN GENERAL.—Whenever proportionate shares are in effect in a State for a crop of sugarcane, no producer in the State knowingly may harvest for sugar or seed an acreage of sugarcane of the crop in excess of the farm's proportionate share for the crop or otherwise violate proportionate share regulations issued by the Secretary under section 359h(a).

"(B) CIVIL PENALTY.—Any producer who violates subparagraph (A) shall be liable to the Commodity Credit Corporation for a civil penalty in an amount equal to 3 times the United States market value, at the time of the commission of the violation, of that quantity of sugar involved in the violation. The quantity of sugar involved shall be determined based on the per-acre yield goal established under paragraph (3).

"(6) WAIVER.—Notwithstanding the preceding subparagraph, the Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or modify deadlines and other proportionate share requirements in cases in which lateness or failure to meet the other requirements does not affect adversely the operation of proportionate shares.

"SEC. 359g. SPECIAL RULES.

"(a) TRANSFER OF PRODUCTION HISTORY.—For the purpose of establishing proportionate shares for producers under section 359f, the Secretary, on application of any producer, may transfer the production history of land owned, operated, or controlled by the producers to any other parcels of land of the applicant.

"(b) RESERVATION OF PRODUCTION HISTORY.—If for reasons beyond the control of an owner of a farm, the owner is unable to use all or a portion of the proportionate share established for the farm under section 359f, the Secretary may reserve for a period of not more than 3 consecutive years the production history of the farm to the extent of the proportionate share involved. The proportionate share may be redistributed to other farm owners or operators, but no production history shall accrue to the other farm owners or operators, by virtue of the redistribution of the proportionate share so redistributed.

"(c) REVISIONS OF ALLOCATIONS AND PROPORTIONATE SHARES.—The Secretary, after such hearing and notice as the Secretary by regulation may prescribe, may revise or amend any allocation of a marketing allotment under section 359d, or any proportionate share established for a farm under section 359f, on the same basis as the initial allocation or proportionate share was established.

"SEC. 359h. REGULATIONS; VIOLATIONS; PUBLICATION OF SECRETARY'S DETERMINATIONS; JURISDICTION OF THE COURTS; UNITED STATES ATTORNEYS.

"(a) REGULATIONS.—

"(1) IN GENERAL.—The Secretary shall issue such regulations as may be necessary to carry out the authority vested in the Secretary in administering the marketing allotment program under this part.

"(2) PRIOR CONSULTATIONS REQUIRED.—In addition to taking such other action as may be required under section 551 through 559 of title 5, United States Code, prior to proposing any regulations under paragraph (1), the Secretary shall consult with representatives of domestic sugar processors and producers with regard to ensuring that the regulations achieve the objectives of this part. The results of the consultations shall be published in the Federal Register, along with the proposed regulations.

"(b) VIOLATION.—Any person knowingly violating any regulation of the Secretary issued under subsection (a) shall be subject to a civil penalty of not more than $5,000 for each violation.

"(c) PUBLICATION IN FEDERAL REGISTER.—Each determination issued by the Secretary to establish, adjust, or suspend allotments under this part shall be promptly published in the Federal Register and shall be accompanied by a statement of the reasons for the determination.

"(d) JURISDICTION OF COURTS; UNITED STATES ATTORNEYS.—

"(1) JURISDICTION OF COURTS.—The several district courts of the United States are vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, this part or any regulation issued thereunder.

"(2) UNITED STATES ATTORNEYS.—Whenever the Secretary shall so request, it shall be the duty of the several United States attorneys, in their respective districts, to institute pro-

ceedings to enforce the remedies and to collect the penalties provided for in this part. The Secretary may elect not to refer to a United States attorney any violation of this part or regulation when the Secretary determines that the administration and enforcement of this part would be adequately served by written notice or warning to any person committing the violation.

"(e) NONEXCLUSIVITY OF REMEDIES.—The remedies and penalties provided for in this part shall be in addition to, and not exclusive of, any remedies or penalties existing at law or in equity.

"SEC. 359i. APPEALS.

"(a) IN GENERAL.—An appeal may be taken to the Secretary from any decision under section 359d establishing allocations of marketing allotments, or under section 359f, by any person adversely affected by reason of any such decision.

"(b) PROCEDURE.—

"(1) NOTICE OF APPEAL.—Any such appeal shall be taken by filing with the Secretary, within 20 days after the decision complained of is effective, notice in writing of the appeal and a statement of the reasons therefor. Unless a later date is specified by the Secretary as part of the Secretary's decision, the decision complained of shall be considered to be effective as of the date on which announcement of the decision is made. The Secretary shall deliver a copy of any notice of appeal to each person shown by the records of the Secretary to be adversely affected by reason of the decision appealed, and shall at all times thereafter permit any such person to inspect and make copies of appellant's reasons for the appeal and shall on application permit the person to intervene in the appeal.

"(2) HEARING.—The Secretary shall provide each appellant an opportunity for a hearing. The Secretary shall appoint an administrative law judge to conduct a hearing on the record on each appeal under this section. In all other respects, each appeal under this section shall be subject to sections 551 through 559, and 701 through 706, of title 5, United States Code.

"SEC. 359j. ADMINISTRATION.

"(a) USE OF CERTAIN AGENCIES.—In carrying out this part, the Secretary may use the services of local committees of sugar beet or sugarcane producers, sugarcane processors, or sugar beet processors, State and county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)), and the departments and agencies of the United States Government.

"(b) USE OF COMMODITY CREDIT CORPORATION.—The Secretary shall use the services, facilities, funds, and authorities of the Commodity Credit Corporation to carry out sections 359a through 359i.

"(c) DEFINITION OF UNITED STATES AND STATE.—Notwithstanding section 301, for purposes of this part, the terms 'United States' and 'State' means the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.".

SEC. 903. REPORTS ON QUOTA ALLOCATIONS TO COUNTRIES IMPORTING SUGAR.

Section 902(c) of the Food Security Act of 1985 (7 U.S.C. 1446 note) is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end the following new paragraph:

"(2)(A) Effective 90 days after the date of enactment of this paragraph and by August 1 of each year thereafter through 1995, the Secretary of Agriculture shall report to the President and Congress on the extent, if any, of sugar imports from Cuba by the countries described in paragraph (1).

"(B) Commencing with the quota year for sugar imports after the 1990–1991 quota year, the President shall report to Congress by January 1, on—

"(i) the identity of the countries that are net importers of sugar derived from sugarcane or sugar beets who have a quota for the current quota year;

"(ii) the identity of such countries who have verified that they do not import for reexport to the United States any sugar produced in Cuba; and

"(iii) the action, if any, taken by the President with respect to countries reported by the Secretary of Agriculture as net importers of sugar derived from sugarcane or sugar beets who imported the sugar from Cuba who reexported the sugar to the United States during the previous quota year.".

TITLE X—HONEY

SEC. 1001. HONEY PRICE SUPPORT.

Title II of the Agricultural Act of 1949 (7 U.S.C. 1446 et seq.) (as amended by section 901 of this Act) is further amended by adding at the end the following new section:

"SEC. 207. HONEY PRICE SUPPORT.

"(a) In General.—For each of the 1991 through 1995 crops of honey, the price of honey shall be supported through loans, purchases, or other operations at not less than 53.8 cents per pound.

"(b) Marketing Loan Provisions.—The Secretary may permit a producer to repay a loan made to the producer under this section for a crop at a level that is the lesser of—

"(1) the loan level determined for the crop; or

"(2) such level as the Secretary determines will—

"(A) minimize the number of loan forfeitures;

"(B) not result in excessive total stocks of honey;

"(C) reduce the costs incurred by the Federal Government in storing honey; and

"(D) maintain the competitiveness of honey in the domestic and export markets.

"(c) Loan Deficiency Payments.—

"(1) In general.—The Secretary shall, for each of the 1991 through 1995 crops of honey, make payments available to producers who, although eligible to obtain a loan under subsection (b), agree to forgo obtaining the loan in return for payments under this subsection.

"(2) Computation.—A payment under this subsection shall be computed by multiplying—

"(A) the loan payment rate; by

"(B) the quantity of honey the producer is eligible to place under loan but for which the producer forgoes obtaining the loan in return for payments under this subsection.

"(3) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

"(A) the loan level determined for the crop under subsection (a); exceeds

"(B) the level at which a loan may be repaid under subsection (b).

"(4) MARKETING CERTIFICATES.—The Secretary may make payments under this section available in the form of certificates redeemable for any agricultural commodity owned by the Commodity Credit Corporation.

"(d) PLEDGING ADULTERATED OR IMPORTED HONEY AS COLLATERAL.—

"(1) IN GENERAL.—If the Secretary determines that a person has knowingly pledged adulterated or imported honey as collateral to secure a loan made under this section, the person, in addition to any other penalty or sanction prescribed by law, shall be ineligible for a loan, purchase, or payment under this section for the 3 crop years succeeding the determination.

"(2) ADULTERATED HONEY.—For purposes of paragraph (1), honey shall be considered adulterated if—

"(A) any substance has been substituted wholly or in part for the honey;

"(B) the honey contains a poisonous or deleterious substance that may render the honey injurious to health, except that in any case in which the substance is not added to the honey, the honey shall not be considered adulterated if the quantity of the substance in or on the honey does not ordinarily render it injurious to health; or

"(C) for any other reason, the honey is unsound, unhealthy, unwholesome, or otherwise unfit for human consumption.

"(e) PAYMENT LIMITATIONS.—

"(1) IN GENERAL.—The total amount of payments that a person may receive under this section may not exceed—

"(A) $200,000 in the 1991 crop year;

"(B) $175,000 in the 1992 crop year;

"(C) $150,000 in the 1993 crop year; and

"(D) $125,000 in each of the 1994 and subsequent crop years.

"(2) PAYMENTS.—For the purposes of this subsection, the term 'payments' means—

"(A) any gain realized by a producer from repaying a loan for a crop of honey at a lower level than the original loan level under this section; and

"(B) any loan deficiency payment received under subsection (c).

"(3) PERSON.—The Secretary shall issue regulations defining the term 'person' for the purposes of this section. The regulations shall provide for the attribution of payments received under this section.

"(f) REGULATIONS.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

"(g) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(h) ASSIGNMENT OF PAYMENTS.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to payments under this section.

"(i) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1991 through 1995 crops of honey.".

SEC. 1002. LOAN FORFEITURE LIMITATION.

Section 405A of the Agricultural Act of 1949 (7 U.S.C. 1425A) is amended—

(1) in subsection (a), by striking "producer for such crop of honey under section 201(b), does not exceed $250,000" and inserting "person for such crop of honey under section 207, does not exceed $200,000 in the 1991 crop year, $175,000 in the 1992 crop year, $150,000 in the 1993 crop year, and $125,000 in each of the 1994 and subsequent crop years"; and

(2) in subsection (d), by adding at the end the following new sentence: "The regulations shall provide for the attribution of the value of collateral forfeited on loans described in subsection (a).".

TITLE XI—GENERAL COMMODITY PROVISIONS

Subtitle A—Acreage Base and Yield System

SEC. 1101. ACREAGE BASE AND YIELD SYSTEM.

Title V of the Agricultural Act of 1949 (7 U.S.C. 1461 et seq.) is amended to read as follows:

"TITLE V—ACREAGE BASE AND YIELD SYSTEM

"SEC. 501. PURPOSE.

"The purpose of this title is to prescribe a system for establishing crop acreage bases and program payment yields for the wheat, feed grains, upland cotton, and rice programs under this Act that is efficient, equitable, flexible, and predictable.

"SEC. 502. DEFINITIONS.

"For purposes of this title:

"(1) COUNTY COMMITTEE.—The term 'county committee' means the county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) for the county in which the farm is administratively located.

"(2) Oilseed.—The term 'oilseed' means a crop of soybeans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, or, if designated by the Secretary, other oilseeds.

"(3) Program crop.—The term 'program crop' means a crop of wheat, corn, grain sorghums, oats, barley, upland cotton, or rice.

"SEC. 503. CROP ACREAGE BASES.

"(a) Establishment.—

"(1) In general.—The Secretary shall provide for the establishment and maintenance of crop acreage bases for each program crop, including any program crop produced under an established practice of double cropping.

"(2) Limitation.—The sum of the crop acreage bases on the farm may not exceed the cropland on the farm, except to the extent there is an established practice of double cropping on the farm.

"(3) Definition of double cropping:—As used in this subsection, the term 'double cropping' means a farming practice, as defined by the Secretary, that has been carried out on a farm during at least 3 of the 5 crop years immediately preceding the crop year for which the crop acreage base for the farm is established.

"(b) Calculation.—

"(1) In general.—Except as provided in paragraph (2), the crop acreage base for each program crop for a farm for a crop year shall be the number of acres that is equal to the average of the acreage planted and considered planted to the program crop for harvest on the farm in each of the 5 crop years preceding the crop year.

"(2) Cotton and rice.—

"(A) In general.—In the case of upland cotton and rice, except as provided in subparagraph (B), the crop acreage base for such crop shall be equal to the average of the acreage planted and considered planted to such crop for harvest on the farm in each of the 3 crop years preceding such crop year.

"(B) Exception.—

"(i) 1991 crops.—In the case of each of the 1991 crops of upland cotton and rice, if the producers on a farm did not participate in the production adjustment program established for the 1989 and 1990 crops of upland cotton and rice, respectively, the crop acreage base for the 1991 crop shall be equal to the average of the acreage planted and considered planted to such crop for harvest on the farm in each of the 5 crop years preceding the 1991 crop year, excluding all crop years in which planted and considered planted acreage was not established for the farm. Any crop acreage base established in accordance with this subparagraph shall not exceed a number of acres equal to the average of the acreage planted and considered planted to such crop for harvest on the farm in each of the 2 crop years preceding the 1991 crop year.

"(ii) 1992 CROPS.—In the case of each of the 1992 crops of upland cotton and rice, if the producers on a farm did not participate in the production adjustment program established for the 1990 and 1991 crops of upland cotton and rice, respectively, the crop acreage base for the 1992 crop shall be equal to the average of the acreage planted and considered planted to such crop for harvest on the farm in each of the 5 crop years preceding the 1992 crop year, excluding all crop years in which planted and considered planted acreage was not established for the farm. Any crop acreage base established in accordance with this subparagraph shall not exceed a number of acres equal to the average of the acreage planted and considered planted to such crop for harvest on the farm in each of the 2 crop years preceding the 1992 crop year.

"(c) Acreage Considered Planted.—For purposes of this Act, acreage considered planted to a program crop shall consist of—

"(1) any reduced acreage and diverted acreage on the farm;

"(2) any acreage on the farm that producers were prevented from planting to the crop because of drought, flood, or other natural disaster, or other condition beyond the control of the producers;

"(3) acreage in an amount equal to the difference between the permitted acreage for a program crop and the acreage planted to the crop, if the acreage considered to be planted is devoted to conservation uses or the production of commodities permitted by the Secretary under the 0/92 or 50/92 programs established for any of the 1991 through 1995 crops of wheat, feed grains, upland cotton, and rice established under sections 107B(c)(1)(E), 105B(c)(1)(E), 103B(c)(1)(D), and 101B(c)(1)(D), respectively;

"(4) acreage in an amount equal to the difference between the permitted acreage for a program crop and the acreage planted to the crop, if the acreage considered to be planted is devoted to the production of commodities in accordance with section 504;

"(5) any acreage on the farm that the Secretary determines is necessary to be included in establishing a fair and equitable crop acreage base;

"(6) the crop acreage base for the crop, if producers on the farm forgo receiving any payments under the program established under title I for the crop and certify that no acreage on the farm was planted to—

"(A) the crop; or

"(B) any fruit or vegetable crop (including potatoes and dry edible beans) not designated as an industrial or experimental crop by the Secretary, in excess of normal plantings; and

"(7) any acreage on the farm for which the crop acreage base for the crop on the farm was adjusted because of a condition or occurrence beyond the control of the producer pursuant to subsection (h).

"(d) Construction of Planting History.—For the purpose of determining the crop acreage base for the 1991 and subsequent crop years for any farm, the county committee, in accordance with regu-

lations prescribed by the Secretary, may construct a planting history for such crop if—

"(1) planting records for such crop for any of the 5 crop years preceding such crop year are incomplete or unavailable; or

"(2) during at least one but not more than 4 of the 5 crop years preceding such crop year, the program crop was not produced on the farm.

"(e) CROP ROTATION AND OTHER FACTORS.—The Secretary shall make adjustments to reflect crop rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable crop acreage base, including adjustments necessary to enable producers to meet the requirements of title XII of the Food Security Act of 1985 (16 U.S.C. 3801 et seq.).

"(f) PREVENTED PLANTING.—If a county committee determines, in accordance with regulations prescribed by the Secretary, that the occurrence of a natural disaster or other similar condition beyond the control of the producer prevented the planting of a program crop on any farm within the county (or substantially destroyed any such program crop after it had been planted but before it had been harvested), the producer may plant any other crop, including any other program crop, on the acreage of such farm that, but for the occurrence of such disaster or other condition, would have been devoted to the production of a program crop. For purposes of determining the crop acreage base, any acreage on the farm on which a substitute crop, including any program crop, is planted under this subsection shall be taken into account as if such acreage had been planted to the program crop for which the other crop was substituted.

"(g) SUBSEQUENT CROP YEARS.—A producer who is eligible to receive a deficiency payment for any program crop or crop of extra long staple cotton in any crop year with respect to a farm may not use the acreage planted or considered planted to any program crop or crop of extra long staple cotton on the farm in the crop year to increase any crop acreage base established for the farm in a subsequent crop year.

"(h) ADJUSTMENT OF BASES.—The county committee, in accordance with regulations prescribed by the Secretary, may adjust any crop acreage base for any program crop for any farm if the crop acreage base for the crop on the farm would otherwise be adversely affected by a condition or occurrence beyond the control of the producer.

"SEC. 504. PLANTING FLEXIBILITY.

"(a) IN GENERAL.—The producers on a farm may, in accordance with this section, plant for harvest on the crop acreage base established for a program crop a commodity, other than the specific program crop, without suffering a reduction in the crop acreage base as a result of the production.

"(b) SPECIFIED COMMODITIES.—

"(1) PERMITTED CROPS.—Except as provided in paragraph (2), for purposes of this section, the commodities that may be planted for harvest on a crop acreage base are—

"(A) any program crop;

"(B) any oilseed;

"(C) any industrial or experimental crop designated by the Secretary; and

"(D) any other crop, except any fruit or vegetable crop (including potatoes and dry edible beans) not designated by the Secretary as—

"(i) an industrial or experimental crop; or

"(ii) a crop for which no substantial domestic production or market exists.

"(2) Limitation.—For purposes of this section, the Secretary may, at the discretion of the Secretary, prohibit the planting on a crop acreage base of any crop specified in paragraph (1).

"(3) Notification.—With regard to commodities that may be planted pursuant to this subsection, the Secretary shall make a determination in each crop year of the commodities that may not be planted pursuant to this subsection and shall make available a list of the commodities.

"(c) Limitation on Acreage.—

"(1) In general.—Except as provided in paragraph (2), the quantity of the crop acreage base that may be planted to a commodity, other than the specific program crop, under this section may not exceed 25 percent of the crop acreage base.

"(2) Exception for soybeans.—If on January 1 of any calendar year the Secretary estimates that the national average price of soybeans during the following marketing year for soybeans would be less than 105 percent of the nonrecourse loan level for soybeans established in section 205 if soybeans were allowed to be planted on up to 25 percent of the crop acreage base under this section, the quantity of the crop acreage base that may be planted to soybeans under this section may not exceed 15 percent of the crop acreage base.

"(d) Plantings in Excess of Permitted Acreage.—Notwithstanding any other provision of this Act, producers of a program crop who are participating in the production adjustment program for that program crop under this Act shall be allowed to plant that program crop in a quantity that exceeds the permitted acreage for that crop without losing their eligibility for loans, purchases, or payments with respect to that crop under this Act if—

"(1) the acreage planted to the program crop on the farm in excess of the permitted acreage does not exceed 25 percent of the crop acreage bases on the farm for other program crops; and

"(2) the producer agrees to a reduction in permitted acreage for the other program crops produced on the farm by a quantity equal to the overplanting.

"(e) Loan Eligibility.—

"(1) In general.—Producers of a specific program crop (referred to in this subsection as the 'original program crop') who plant for harvest on the crop acreage base established for such original program crop another program crop in accordance with this section and who are not participants in the program established for such other program crop shall be eligible to receive loans, purchases, or loan deficiency payments for such other program crop on the same terms and conditions as are provided to participants in a production adjustment program established for such other program crop.

"(2) Requirements.—Producers shall be eligible to receive loans, purchases, or loan deficiency payments under this subsection if the producers—

"(A) plant such other program crop in an amount that does not exceed 25 percent of the crop acreage base established for the original program crop; and

"(B) agree to a reduction in the permitted acreage for the original program crop for the particular crop year.

"SEC. 505. FARM PROGRAM PAYMENT YIELDS.

"(a) Establishment.—The Secretary shall provide for the establishment of a farm program payment yield for each farm for each program crop for each crop year in accordance with subsection (b) or (c).

"(b) Farm Program Payment Yields Based on 1990 Crop Year.—

"(1) In general.—If the Secretary determines that farm program payment yields shall be established in accordance with this subsection, except as provided in paragraphs (2) and (3), the farm program payment yield for each of the 1991 through 1995 crop years shall be the farm program payment yield for the 1990 crop year for the farm.

"(2) Additional yield payments.—In the case of each of the 1991 through 1995 crop years for a commodity, if the farm program payment yield for a farm is reduced more than 10 percent below the farm program payment yield for the 1985 crop year, the Secretary shall make available to producers established price payments for the commodity in such amount as the Secretary determines is necessary to provide the same total return to producers as if the farm program payment yield had not been reduced more than 10 percent below the farm program payment yield for the 1985 crop year. The payments shall be made available not later than the time final deficiency payments are made.

"(3) No crop or yield available.—If no crop of the commodity was produced on the farm or no farm program payment yield was established for the farm for any of the 1981 through 1985 crop years (or, as appropriate, the 1986 through 1990 crop years), the farm program payment yield shall be established on the basis of the average farm program payment yield for the crop years for similar farms in the area.

"(4) National, State, or county yields.—If the Secretary determines the action is necessary, the Secretary may establish national, State, or county program payment yields on the basis of—

"(A) historical yields, as adjusted by the Secretary to correct for abnormal factors affecting the yields in the historical period; or

"(B) the Secretary's estimate of actual yields for the crop year involved if historical yield data is not available.

"(5) Balancing yields.—If national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

"(c) DETERMINATION OF YIELDS.—

"(1) ACTUAL YIELDS.—With respect to the 1991 and subsequent crop years, the Secretary may—

"(A) establish the farm program payment yield as provided in subsection (a); or

"(B) establish a farm program payment yield for any program crop for any farm on the basis of the average of the yield per harvested acre for the crop for the farm for each of the 5 crop years immediately preceding the crop year, excluding the crop year with the highest yield per harvested acre, the crop year with the lowest yield per harvested acre, and any crop year in which such crop was not planted on the farm.

"(2) PRIOR YIELDS.—For purposes of the preceding sentence, the farm program payment yield for the 1986 crop year and the actual yield per harvested acre with respect to the 1987 and subsequent crop years shall be used in determining farm program payment yields.

"(3) REDUCTION LIMITATION.—Notwithstanding any other provision of this paragraph, for purposes of establishing a farm program payment yield for any program crop for any farm for the 1991 and subsequent crop years, the farm program payment yield for the 1986 crop year may not be reduced more than 10 percent below the farm program payment yield for the farm for the 1985 crop year.

"(4) ADJUSTMENT OF YIELDS.—The county committee, in accordance with regulations prescribed by the Secretary, may adjust any farm program payment yield for any program crop for any farm if the farm program payment yield for the crop on the farm does not accurately reflect the productive potential of the farm.

"(d) ASSIGNMENT OF YIELDS.—In the case of any farm for which the actual yield per harvested acre for any program crop referred to in subsection (c) for any crop year is not available, the county committee may assign the farm a yield for the crop for the crop year on the basis of actual yields for the crop for the crop year on similar farms in the area.

"(e) ACTUAL YIELD DATA.—

"(1) PROVISION.—The Secretary shall, under such terms and conditions as the Secretary may prescribe, allow producers to provide to county committees data with respect to the actual yield for each farm for each program crop.

"(2) MAINTENANCE.—The Secretary shall maintain the data for at least 5 crop years after receipt in a manner that will permit the data to be used, if necessary, in the administration of the commodity programs.

"(3) NOTIFICATION.—The Secretary shall provide timely notification to producers of the provisions of this subsection.

"SEC. 506. PLANTING AND PRODUCTION HISTORY OF FARMS.

"Each county committee, in accordance with regulations prescribed by the Secretary, may require any producer who seeks to establish a crop acreage base or farm program payment yield for a farm for a crop year to provide planting and production history of

the farm for each of the 5 crop years immediately preceding the crop year.

"SEC. 507. ESTABLISHMENT OF BASES AND YIELDS BY COUNTY COMMITTEES.

"Each county committee may, in accordance with regulations prescribed by the Secretary, provide for the establishment of a crop acreage base, and farm program payment yield with respect to any farm administratively located within the county if the crop acreage base or farm program payment yield cannot otherwise be established under this title. The crop acreage bases and farm program payment yields shall be established in a fair and equitable manner, but no such bases or farm program payment yields shall be established for a farm if the producer on the farm is subject to sanctions under any provision of Federal law for cultivating highly erodible land or converted wetland.

"SEC. 508. APPEALS.

"The Secretary shall establish an administrative appeal procedure that provides for an administrative review of determinations made with respect to crop acreage bases and farm program payment yields.

"SEC. 509. CROPS.

"Notwithstanding any other provision of law, this title shall be effective only for the 1991 through 1995 program crops.".

Subtitle B—Payment Limitations

SEC. 1111. PAYMENT LIMITATIONS.

(a) In General.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended—

(1) in paragraph (1)—

(A) by inserting "(A)" after the paragraph designation;

(B) by striking "1990" and inserting "1995"; and

(C) by adding at the end the following new subparagraph:

"(B) Subject to sections 1001A through 1001C for each of the 1991 through 1995 crops, the total amount of payments specified in clauses (iii), (iv), and (v) of paragraph (2)(B) that a person shall be entitled to receive under one or more of the annual programs established under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) for wheat, feed grains, upland cotton, rice, and oilseeds (as defined in section 205(a) of the Agricultural Act of 1949) may not exceed $75,000.";

(2) in paragraph (2)(A)—

(A) by striking "1987 through 1990 crops" and inserting "1991 through 1995 crops"; and

(B) by striking "honey, and (with respect to clause (iii)(II) of subparagraph (B))" and inserting "and"; and

(3) in paragraph (2)(B)—

(A) by striking clause (iii) and inserting the following new clause:

"(iii) any gain realized by a producer from repaying a loan for a crop of any commodity (other than honey) at a lower level

than the original loan level established under the Agricultural Act of 1949;";

(B) in clause (iv)—

(i) by striking "section 107D(c)(1) or 105C(c)(1)" and inserting "107B(c)(1) or 105B(c)(1); and

(ii) by striking "section 107D(a)(4) or 105C(a)(3)" and inserting "section 107B(a)(3) or 105B(a)(3)";

(C) by striking clause (v) and inserting the following new clause:

"(v) any loan deficiency payment received for a crop of wheat, feed grains, upland cotton, rice, or oilseeds under section 107B(b), 105B(b), 103B(b), 101B(b), or 205(e), respectively, of the Agricultural Act of 1949; and"; and

(D) in clause (vi), by striking "section 107D(g), 105C(g), 103A(g), or 101A(g)" and inserting "section 107B(f), 105B(f), 103B(f), or 101B(f)".

(b) Foreign Persons.—Section 1001C(a) of such Act (7 U.S.C. 1308-3(a)) is amended—

(1) by striking "1989 and 1990 crops" and inserting "1991 through 1995 crops"; and

(2) by inserting after "(16 U.S.C. 3831 et seq.)" the following: ", or under any contract entered into under title XII during the 1989 through 1995 crop years,".

(c) Spouses.—Clause (iii) of section 1001(5)(B) of such Act (7 U.S.C. 1308(5)(B)(iii)) is amended to read as follows:

"(iii) The regulations shall provide that, with respect to any married couple, the husband and wife shall be considered to be one person, except that, for the purpose of the application of the limitations established under this section—

"(I) in the case of any married couple consisting of spouses who, prior to their marriage, were separately engaged in unrelated farming operations, each spouse shall be treated as a separate person with respect to the farming operation brought into the marriage by the spouse so long as the operation remains as a separate farming operation; and

"(II) at the option of the Secretary, in the case of any married couple consisting of spouses who do not hold, directly or indirectly, a substantial beneficial interest in more than one entity (including the spouses themselves) engaged in farm operations that also receives farm program payments (as described in paragraphs (1) and (2)) as separate persons, the spouses may be considered as separate persons if each spouse meets the other requirements established under this section and section 1001A to be considered to be a separate person.".

(d) Growers of Hybrid Seed.—Section 1001A(b) of such Act (7 U.S.C. 1308-1(b)) is amended by adding at the end the following new paragraph:

"(6) Growers of hybrid seed.—To determine whether a person growing hybrid seed under contract shall be considered to be actively engaged in farming, the Secretary shall not take into consideration the existence of a hybrid seed contract.".

(e) Irrevocable Trusts.—Section 1001(5)(B)(ii) of such Act (7 U.S.C. 1308(5)(B)(ii)) is amended by adding at the end the following new subparagraph:

"(III) Notwithstanding any other provision of law, to be considered a separate person under this section, an irrevocable trust (other than a trust established prior to January 1, 1987) must not allow for modification or termination of the trust by the grantor, allow for the grantor to have any future, contingent, or remainder interest in the corpus of the trust, or provide for the transfer of the corpus of the trust to the remainder beneficiary in less than 20 years from the date the trust is established except in cases where the transfer is contingent on the remainder beneficiary achieving at least the age of majority or is contingent on the death of the grantor or income beneficiary.".

(f) MINIMAL BENEFICIAL INTERESTS.—Section 1001A(a)(2) of such Act (7 U.S.C. 1308–1(a)(2)) is amended by striking "10 percent" and inserting "0 to 10 percent".

(g) EDUCATION PROGRAM.—Such Act is amended by inserting after section 1001C (7 U.S.C. 1308–3) the following new section:

"SEC. 1001D. EDUCATION PROGRAM.

"(a) IN GENERAL.—The Secretary shall carry out a payment provisions education program for appropriate personnel of the Department of Agriculture and members and other personnel of county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)), for the purpose of fostering more effective and uniform application of the payment limitations and restrictions established under sections 1001 through 1001C.

"(b) TRAINING.—The education program shall provide training to the personnel in the fair, accurate, and uniform application to individual farming operations of the provisions of law and regulation relating to the payment provisions of sections 1001 through 1001C.

"(c) ADMINISTRATION.—The State office of the Agricultural Stabilization and Conservation Service shall make the initial determination concerning the application of payment limitations and restrictions established under sections 1001 through 1001C to farm operations consisting of more than 5 persons, subject to review by the Secretary.

"(d) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program provided under this section through the Commodity Credit Corporation.".

(h) TREATMENT OF MULTIYEAR PROGRAM CONTRACT PAYMENTS.—Such Act (as amended by subsection (g) of this section) is further amended by inserting after section 1001D the following new section:

"SEC. 1001E. TREATMENT OF MULTIYEAR PROGRAM CONTRACT PAYMENTS.

"(a) IN GENERAL.—Notwithstanding any other provision of law, in the event of a transfer of ownership of land (or an ownership interest in land) by way of devise or descent, the Secretary of Agriculture may, if the new owner succeeds to the prior owner's contract entered into under title XII, make payments to the new owner under such contract without regard to the amount of payments received by the new owner under any contract entered into under title XII executed prior to such devise or descent.

"(b) LIMITATION.—Payments made pursuant to this section shall not exceed the amount to which the previous owner was entitled to

receive under the terms of the contract at the time of the death of the prior owner.".

(i) Treatment of Cash Rent Tenants.—Section 2 of Public Law 101–217 is amended by striking "Effective only for" and inserting "Effective beginning with".

Subtitle C—Provisions Related to Agricultural Act of 1949

SEC. 1121. DEFICIENCY AND LAND DIVERSION PAYMENTS.

(a) In General.—Section 107C of the Agricultural Act of 1949 (7 U.S.C. 1445b–2) is amended to read as follows:

"SEC. 107C. DEFICIENCY AND LAND DIVERSION PAYMENTS.

"(a) Deficiency Payments.—

"(1) In general.—If the Secretary establishes an acreage limitation program for any of the 1991 through 1995 crops of wheat, feed grains, upland cotton, or rice under this Act and determines that deficiency payments will likely be made for the commodity for the crop, the Secretary shall make advance deficiency payments available to producers for each of the crops.

"(2) Terms and conditions.—Advance deficiency payments under paragraph (1) shall be made to the producer under the following terms and conditions:

"(A) Form.—Such payments may be made available in the form of—

"(i) cash;

"(ii) commodities owned by the Commodity Credit Corporation and certificates redeemable in a commodity owned by the Commodity Credit Corporation, except that not more than 50 percent of the payments may be made in commodities or the certificates in the case of any producer; or

"(iii) any combination of clauses (i) and (ii).

"(B) Commodities and certificates.—If payments are made available to producers as provided for under subparagraph (A)(ii), such producers may elect to receive such payments either in the form of—

"(i) such commodities; or

"(ii) such certificates.

"(C) Maturity.—Such a certificate shall be redeemable for a period not to exceed 3 years from the date the certificate is issued.

"(D) Storage.—The Commodity Credit Corporation shall pay the cost of storing a commodity that may be received under such a certificate until such time as the certificate is redeemed.

"(E) Timing.—The payments shall be made available as soon as practicable after the producer enters into a contract with the Secretary to participate in such program.

"(F) Amounts.—The payments shall be made available in such amounts as the Secretary determines appropriate to encourage adequate participation in the program, except

that the amount may not exceed an amount determined by multiplying—

"(i) the estimated payment acreage for the crop; by

"(ii) the farm program payment yield for the crop; by

"(iii)(I) in the case of wheat and feed grains, not less than 40 percent, nor more than 50 percent, of the projected payment rate; and

"(II) in the case of rice and upland cotton, not less than 30 percent, nor more than 50 percent, of the projected payment rate,

as determined by the Secretary.

"(G) Repayment.—If the deficiency payment payable to a producer for a crop, as finally determined by the Secretary under this Act, is less than the amount paid to the producer as an advance deficiency payment for the crop under this subsection, the producer shall repay an amount equal to the difference between the amount advanced and the amount finally determined by the Secretary to be payable to the producer as a deficiency payment for the crop concerned.

"(H) Repayment requirement.—If the Secretary determines under this Act that deficiency payments will not be made available to producers on a crop with respect to which advance deficiency payments already have been made under this subsection, the producers who received the advance payments shall repay the payments.

"(I) Deadline.—Any repayment required under subparagraph (G) or (H) shall be due at the end of the marketing year for the crop with respect to which the payments were made.

"(J) Noncompliance.—If a producer fails to comply with requirements established under the acreage limitation program involved after obtaining an advance deficiency payment under this subsection, the producer shall repay immediately the amount of the advance, plus interest thereon in such amount as the Secretary shall prescribe by regulation.

"(3) Regulations.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

"(4) Commodity credit corporation.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(5) Additional authority.—The authority provided in this section shall be in addition to, and not in place of, any authority granted to the Secretary or the Commodity Credit Corporation under any other provision of law.

"(b) Land Diversion Payments.—If the Secretary makes land diversion payments under this Act to assist in adjusting the total national acreage of any of the 1991 through 1995 crops of wheat, feed grains, upland cotton, or rice to desirable levels, the Secretary may make at least 50 percent of such payments available to a producer as soon as possible after the producer agrees to undertake the diversion of land in return for the payments.

"(c) Timing of Deficiency Payments.—In the case of deficiency payments made available to producers for any of the 1991 through 1995 crops of wheat, feed grains, and rice which payments are calcu-

lated on the basis of the national weighted average market price (or, in the case of rice, the national average market price) for the marketing year for the crop, the Secretary shall make deficiency payments as follows:

"(1) A portion of the deficiency payment shall be made in advance in accordance with subsection (a)(2).

"(2) Seventy-five percent of the final projected deficiency payment for the crop, reduced by the amount of the advance, shall be made available as soon as practicable after the end of the first 5 months of the applicable marketing year.

"(3) The remainder of the deficiency payments shall be made available at the end of the marketing year.".

(b) REPAYMENT REQUIREMENTS.—

(1) IN GENERAL.—Notwithstanding any other provision of law, effective only for producers who are suffering financial hardship, as determined by the Secretary, on a farm who received an advance deficiency payment for the 1988 or 1989 crop of a commodity and are otherwise described in paragraph (2), the Secretary of Agriculture—

(A) shall not charge an annual interest rate for any delinquent refund for the advance deficiency payment in excess of prevailing rates for operating loans made by Farm Credit System institutions;

(B) shall not withhold, in each of the 3 succeeding crop years, more than ⅓ of the farm program payments otherwise due to the producers, as a result of any delinquency in providing the refund; and

(C) shall permit the producers to make the refund in three equal installments during each of the crop years 1990, 1991, and 1992, if the producers enter into an agreement to obtain multiperil crop insurance for each of the crop years, to the extent that the Secretary determines is similar to section 107 of the Disaster Assistance Act of 1989 (7 U.S.C. 1421 et seq.).

(2) APPLICATION.—This subparagraph shall apply if—

(A) the producers received an advance deficiency payment for the 1988 or 1989 crop of a commodity under section 107C(a) of the Agricultural Act of 1949 (7 U.S.C. 1445b–2(a);

(B) the producers are required to provide a refund of at least $1,500 under subparagraph (G) or (H) of section 107C(a)(2) of such Act with respect to the advance deficiency payments;

(C) the producers reside in a county, or in a county that is contiguous to a county, where the Secretary of Agriculture has found that farming, ranching, or aquaculture operations have been substantially affected as evidenced by a reduction in normal production for the county of at least 30 percent during two of the three crop years 1988, 1989, and 1990 by a natural disaster or by a major disaster or emergency designated by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.); and

(D) the total quantity of the 1988 or 1989 crop of the commodity that the producers were able to harvest is less than

the result of multiplying 65 percent of the farm payment yield established by the Secretary for the crop by the sum of the acreage planted for the harvest and the acreage prevented from being planted (because of the disaster or emergency referred to in subparagraph (C)) for the crop.

(c) CONFORMING AMENDMENT.—Section 1002 of the Food Security Act of 1985 (Public Law 99–198; 99 Stat. 1446) is amended by striking "Effective only for the 1986 through 1990 crops of wheat, feed grains, upland cotton, and rice, section" and inserting "Section".

SEC. 1122. COMMODITY CERTIFICATES.

(a) IN GENERAL.—Section 107E of the Agricultural Act of 1949 (7 U.S.C. 1445b–4) is amended by adding at the end the following new subsection:

"(c) The Secretary shall pay interest on the cash redemption of a commodity certificate issued by the Secretary to a producer who holds the certificate for at least 150 days. This subsection shall not apply with respect to commodity certificates issued in connection with the export enhancement program or the marketing promotion program established under the Agricultural Trade Act of 1978.".

(b) SPECIAL RULES.—

(1) IN GENERAL.—A subsequent holder of a commodity certificate issued by the Commodity Credit Corporation shall be allowed to exchange the expired commodity certificate under the same rules that apply to an original holder of the certificate.

(2) APPLICATION AND REDEMPTION LIMITATIONS.—This subsection shall only apply during the 180-day period beginning on the date of enactment of this Act. No person may redeem more than $1,000 worth of certificates under this subsection.

(3) REDEMPTION LIMITATIONS.—In no event shall a person receive a payment from the Commodity Credit Corporation for a certificate that is redeemed under this subsection in an amount greater than the price paid for the certificate by the person. No expired certificate shall be exchanged under this section if the owner purchased the certificate after January 1, 1990.

SEC. 1123. FARMER OWNED RESERVE PROGRAM.

Section 110 of the Agricultural Act of 1949 (7 U.S.C. 1445e) is amended to read as follows:

"SEC. 110. FARMER OWNED RESERVE PROGRAM.

"(a) IN GENERAL.—The Secretary shall formulate and administer a farmer owned reserve program under which producers of wheat and feed grains will be able to store wheat and feed grains when the commodities are in abundant supply, extend the time period for the orderly marketing of the commodities, and provide for adequate carryover stocks to ensure a reliable supply of the commodities.

"(b) TERMS OF PROGRAM.—

"(1) PRICE SUPPORT LOANS.—In carrying out this program, the Secretary shall provide extended price support loans for wheat and feed grains. An extended loan shall only be made to a producer after the expiration of a 9-month price support loan (hereafter in this section referred to as the 'original loan') made in accordance with this title.

"(2) LEVEL OF LOANS.—Loans made under this section shall not be less than the then current level of support under the wheat and feed grain programs established under this title.

"(3) OTHER TERMS AND CONDITIONS.—The Secretary shall provide for—

"(A) repayment of the extended price support loan 27 months from the date on which the original loan expired unless, at the discretion of the Secretary, the loan has been extended for one 6-month period;

"(B) a rate of interest as provided under subsection (c); and

"(C) payments to producers for storage as provided in subsection (d).

"(4) REGIONAL DIFFERENCES.—The Secretary shall ensure that producers are afforded a fair and equitable opportunity to participate in the program established under this section, taking into account regional differences in the time of harvest.

"(c) INTEREST CHARGES.—

"(1) LEVYING OF INTEREST.—The Secretary may charge interest on loans under this section whenever the price of wheat or feed grains is equal to or exceeds 105 percent of the then current established price for the commodity.

"(2) 90-DAY PERIOD.—If interest is levied on the loans under paragraph (a), the interest may be charged for a period of 90 days after the last day on which the price of wheat or feed grains was equal to or in excess of 105 percent of the established price for the commodities.

"(3) RATE OF INTEREST.—The rate of interest charged participants in this program shall not be less than the rate of interest charged by the Commodity Credit Corporation by the United States Treasury, except that the Secretary may waive or adjust the interest as the Secretary considers appropriate to effectuate the purposes of this section.

"(d) STORAGE PAYMENTS.—

"(1) IN GENERAL.—The Secretary shall provide storage payments to producers for storage of wheat or feed grains under the program established in this section in such amounts and under such conditions as the Secretary determines appropriate encourage producers to participate in the program.

"(2) TIMING.—The Secretary shall make storage payments available to participants in this program at the end of each quarter.

"(3) DURATION.—The Secretary shall cease making storage payments whenever the price of wheat or feed grains is equal to or exceeds 95 percent of the then current established price for the commodities, and for any 90-day period immediately following the last day on which the price of wheat or feed grains was equal to or in excess of 95 percent of the then current established price for the commodities.

"(e) EMERGENCIES.—Notwithstanding any other provision of law, the Secretary may require producers to repay loans made under this section, plus accrued interest and such other charges as may be required by regulation prior to the maturity date thereof, if the Secretary determines that emergency conditions exist that require that

the commodity be made available in the market to meet urgent domestic or international needs and the Secretary reports the determination and the reasons for the determination to the President, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate at least 14 days before taking the action.

"(f) QUANTITY OF COMMODITIES IN PROGRAM.—The Secretary may establish maximum quantities of wheat and feed grains that may receive loans and storage payments under this program as follows:

"(1) The maximum quantities of wheat may not be established at less than 300 million bushels, nor more than 450 million bushels.

"(2) The maximum quantities of feed gains may not be established at less than 600 million bushels, nor more than 900 million bushels.

"(g) ANNOUNCEMENT OF PROGRAM.—

"(1) TIME OF ANNOUNCEMENT.—The Secretary shall announce the terms and conditions of the producer storage program for a crop of wheat and feed grains by—

"(A) in the case of wheat, December 15 of the year in which the crop of wheat was harvested; and

"(B) in the case of feed grains, March 15 of the year following the year in which the crop of corn was harvested.

"(2) DISCRETIONARY ENTRY.—The Secretary may make extended loans available to producers of wheat or feed grains if—

"(A) the Secretary determines that the average market price for wheat or corn, respectively, for the 90-day period prior to the dates specified in paragraph (1) is less than 120 percent of the current loan rate for wheat or corn respectively; or

"(B) as of the appropriate date specified in paragraph (1), the Secretary estimates that the stocks-to-use ratio on the last day of the current marketing year will be—

"(i) in the case of wheat more than 37.5 percent; and

"(ii) in the case of corn more than 22.5 percent.

"(3) MANDATORY ENTRY.—The Secretary shall make extended loans available to producers of wheat or feed grains if the conditions specified in subparagraphs (A) and (B) of paragraph (2) are met for wheat or feed grains, respectively.

"(4) CONTENT OF ANNOUNCEMENT.—In the announcement, the Secretary shall specify the maximum quantity of wheat or feed grains to be stored under this program that the Secretary determines appropriate to promote the orderly marketing of the commodities.

"(h) DISCRETIONARY EXIT.—A producer may repay a loan extended under this section at any time.

"(i) RECONCENTRATION OF GRAIN.—The Secretary may, with the concurrence of the owner of grain stored under this program, reconcentrate all such grain stored in commercial warehouses at such points as the Secretary considers to be in the public interest, taking into account such factors as transportation and normal marketing patterns. The Secretary shall permit rotation of stocks and facilitate maintenance of quality under regulations that assure that the holding producer or warehouseman shall, at all times, have available

for delivery at the designated place of storage both the quantity and quality of grain covered by the producer's or warehouseman's commitment.

"(j) MANAGEMENT OF GRAIN.—Whenever grain is stored under this section, the Secretary may buy and sell at an equivalent price, allowing for the customary location and grade differentials, substantially equivalent quantities of grain in different locations or warehouses to the extent needed to properly handle, rotate, distribute, and locate the commodities that the Commodity Credit Corporation owns or controls. The purchases to offset sales shall be made within 2 market days following the sales. The Secretary shall make a daily list available showing the price, location, and quantity of the transactions.

"(k) USE OF COMMODITY CREDIT CORPORATION.—The Secretary shall use the Commodity Credit Corporation, to the extent feasible, to fulfill the purposes of this section. To the maximum extent practicable consistent with the fulfillment of the purposes of this section and the effective and efficient administration of this section, the Secretary shall utilize the usual and customary channels, facilities, and arrangements of trade and commerce.

"(l) USE OF COMMODITY CERTIFICATES.—Notwithstanding any other provision of law, if a producer has substituted purchased or other commodities for the commodities originally pledged as collateral for a loan made under this section, the Secretary may allow a producer to repay the loan using a generic commodity certificate that may be exchanged for commodities owned by the Commodity Credit Corporation, if the substitute commodities have been pledged as loan collateral and redeemed only within the same county.

"(m) ADDITIONAL AUTHORITY.—The authority provided by this section shall be in addition to other authorities available to the Secretary for carrying out producer loan and storage operations.

"(n) REGULATIONS.—The Secretary of Agriculture shall issue such regulations as are necessary to carry out this section not later than 60 days after the date of enactment of this section.

"(o) CROPS.—Notwithstanding any other provision of law, this section shall become effective December 1, 1990.".

SEC. 1124. COMPARABILITY OF STORAGE PAYMENTS.

In making storage payments to producers under section 110 of the Agricultural Act of 1949 (7 U.S.C. 1445e) and to commercial warehousemen in accordance with the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Commodity Credit Corporation and the Secretary of Agriculture shall, to the extent practicable, ensure that the rates of the storage payments made to producers are equivalent to average rates paid for commercial storage, taking into account the current demand for storage for commodities, efficiency, location, regulatory compliance costs, bonding requirements, and impact of user fees as determined by the Secretary, except that the rates paid to producers and commercial warehouse shall be established at rates that will result in no increase in current or projected combined outlays of the Commodity Credit Corporation for the storage payments made to producers and commercial warehouse as a result of the adjustment of storage rates under this section.

SEC. 1125. SUPPLEMENTAL SET-ASIDE AND ACREAGE LIMITATION AUTHORITY.

(a) In General.—Section 113 of the Agricultural Act of 1949 (7 U.S.C. 1445h) is amended to read as follows:

"SEC. 113. SUPPLEMENTAL SET-ASIDE AND ACREAGE LIMITATION AUTHORITY.

"Notwithstanding any other provision of law or prior announcement made by the Secretary to the contrary, the Secretary may announce and provide for an acreage limitation program under section 105B or 107B for one or more of the 1991 through 1995 crops of wheat and feed grains if the Secretary determines that such action is in the public interest as a result of the imposition of restrictions on the export of any such commodity by the President or other member of the executive branch of the Federal Government. To carry out effectively an acreage limitation program authorized under this section, the Secretary may make such modifications and adjustments in such program as the Secretary determines necessary because of any delay in instituting such program.".

(b) Conforming Amendment.—Section 1011 of the Food Security Act of 1985 (Public Law 99–198; 99 Stat. 1454) is amended by striking "Effective for the 1986 through 1990 crops of wheat and feed grains, section" and inserting "Section".

SEC. 1126. DISASTER PAYMENTS.

Title II of Agricultural Act of 1949 (as amended by section 1001 of this Act) is further amended by adding at the end the following new section:

"SEC. 208. DISASTER PAYMENTS FOR 1991 THROUGH 1995 CROPS OF PEANUTS, SOYBEANS, SUGAR BEETS, AND SUGARCANE.

"(a) Prevented Planting.—If the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage on the farm intended for peanuts, soybeans, sugar beets, or sugarcane to peanuts, soybeans, sugar beets, sugarcane, or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary may make a prevented planting disaster payment to the producers in an amount equal to the product obtained by multiplying—

"(1) the number of acres so affected but not to exceed the acreage planted to peanuts, soybeans, sugar beets, or sugarcane for harvest (including any acreage that the producers were prevented from planting to the commodity or to other nonconserving crops in lieu of peanuts, soybeans, sugar beets, or sugarcane because of drought, flood or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year; by

"(2) 75 percent of the farm program payment yield established by the Secretary; by

"(3) a payment rate equal to 50 percent of the loan and purchase level for the crop.

"(b) Reduced Yields.—If the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of peanuts, soybeans, sugar beets, or sugarcane that the producers are able to harvest on any farm is less than the result of multiplying 60 percent

of the farm program payment yield established by the Secretary for the crop by the acreage planted for harvest for the crop, the Secretary may make a reduced yield disaster payment to the producers at a rate equal to 50 percent of the loan and purchase level for the crop for the deficiency in production below 60 percent for the crop.

"(c) Adjustments.—The Secretary may make such adjustments in the amount of payments made available under this paragraph with respect to an individual farm so as to assure the equitable allotment of the payments among producers, taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(d) Crops.—Notwithstanding any other provision of law, this section shall be effective only for the 1991 through 1995 crops of peanuts, soybeans, sugar beets, and sugarcane.".

SEC. 1127. INCREASE IN SUPPORT LEVELS.

Section 402 of the Agricultural Act of 1949 (7 U.S.C. 1421) is amended—

(1) by inserting "(a)" after the section designation; and

(2) by adding at the end the following new subsection:

"(b) Effective only for the 1991 through 1995 crops of wheat, feed grains, cotton, and rice, the Secretary of Agriculture may provide for annual adjustments in the established prices for such program crops to reflect any change during the last calendar year ending before the beginning of each such crop year in the index of prices paid by farmers for production items, interest, taxes, and wage rates in such calendar year.".

SEC. 1128. ADJUSTMENT OF SUPPORT PRICES.

Section 403 of the Agricultural Act of 1949 (7 U.S.C. 1423) is amended to read as follows:

"SEC. 403. ADJUSTMENTS OF SUPPORT PRICES.

"(a) In General.—The Secretary may make appropriate adjustments in the support price for any commodity (excluding cotton) for differences in grade, type, quality, location and other factors. The adjustments shall, so far as practicable, be made in such manner that the average support price for the commodity will, on the basis of the anticipated incidence of such factors be equal to the level of support determined as provided in this Act.

"(b) Adjustment in Support Prices for Cotton.—The Secretary may make appropriate adjustments in the support price for cotton for differences in quality factors and location. Beginning with the 1991 crop, the quality differences (premiums and discounts for quality factors) for the upland cotton loan program shall be established by the Secretary by giving equal weight to (1) loan differences for the preceding crop, and (2) market differences for such crop in the designated United States spot markets.

"(c) Limitation on Adjustments for Wheat and Feed Grains.—Notwithstanding any other provision of this section, for each of the 1990 through 1995 crops of wheat and feed grains, no adjustment in the loan rate applicable to a particular region, State, or county for the purpose of reflecting transportation differentials may increase or decrease the regional, State, or county loan rate from the level established for the previous year by more than the

percentage change in the national average loan rate plus or minus 3 percent.".

SEC. 1129. PROGRAM OPTION FOR 1996 CROPS.

Subsection (b) of section 406 of the Agricultural Act of 1949 (7 U.S.C. 1426(b)) is amended to read as follows:

"(b)(1) Notwithstanding any other provision of law, the Secretary may offer an option to producers of the 1996 crop of wheat, feed grains, upland cotton, extra long staple cotton, rice, or oilseeds and to dairy producers for the 1996 calendar year to participate in commodity price support, production adjustment, and payment programs as provided in this subsection.

"(2) The Secretary may offer such programs based on the terms and conditions as are provided in sections 101(h), 101B, 103B, 105B, 107B, 114, 204, and 205 of the Agricultural Act of 1949, and any other relevant provisions of the Agricultural Act of 1949, as determined by the Secretary. Any established price or loan and purchase level made available in accordance with this subsection shall be established at the same level as that established for the 1995 crop or, in the case of milk, for the 1995 calendar year.

"(3) The Secretary may offer each of the programs provided for by this subsection if the Secretary has not made final announcement of the terms of the commodity price support, production adjustment, or payment programs for the 1996 crops of wheat, feed grains, cotton, rice, or oilseeds, or the 1996 calendar year for dairy on or before the later of—

"(A) in the case of wheat, June 1, 1995;

"(B) in the case of feed grains, September 30, 1995;

"(C) in the case of upland cotton, November 1, 1995;

"(D) in the case of extra long staple cotton, December 1, 1995;

"(E) in the case of rice, January 31, 1996;

"(F) in the case of oilseeds, July 15, 1995; and

"(G) in the case of dairy, November 1, 1995.

"(4) Producers may not participate in such programs unless a law has been enacted subsequent to the date of enactment of this subsection that provides for loans and purchases for the 1996 crop of wheat, feed grains, cotton, rice, or oilseeds, or for dairy for the 1996 calendar year.

"(5) The Secretary may use the funds, facilities and authorities of the Commodity Credit Corporation in carrying out this subsection.".

SEC. 1130. COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS.

Section 407 of the Agricultural Act of 1949 (7 U.S.C. 1427) is amended to read as follows:

"SEC. 407. COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS.

"(a) IN GENERAL.—The Commodity Credit Corporation may sell any farm commodity owned or controlled by the Corporation at any price not prohibited by this section.

"(b) INVENTORIES.—In determining sales policies for basic agricultural commodities or storable nonbasic commodities, the Corporation should consider the establishment of such policies with respect to prices, terms, and conditions as the Corporation determines will not discourage or deter manufacturers, processors, and dealers from

acquiring and carrying normal inventories of the commodity of the current crop.

"(c) Sales Price Restrictions.—

"(1) In general.—Except as otherwise provided in this section, the Corporation shall not sell any basic agricultural commodity or storable nonbasic commodity at less than 115 percent of the lower of—

"(A) the current national average price support loan rate for the commodity adjusted for the current market differentials reflecting grade, quality, location, reasonable carrying charges, and other factors determined appropriate by the Corporation; or

"(B) the loan repayment level.

"(2) Extra long staple cotton.—The Corporation may sell extra long staple cotton for unrestricted use at such price as the Corporation determines is appropriate to maintain and expand export and domestic markets.

"(3) Oilseeds.—The Corporation shall not sell oilseeds at less than the lower of—

"(A) 105 percent of the current national average price support loan rate for the oilseed, adjusted for the current market differentials reflecting grade, quality, location, reasonable carrying charges, and other factors determined appropriate by the Corporation; or

"(B) 115 percent of the loan repayment level.

"(4) Wheat and feed grains.—Whenever the producer reserve program for wheat and feed grains established under section 110 is in effect, the Corporation may not sell any of its stocks of wheat or feed grains at a level that is less than 150 percent of the then current loan rate for wheat or feed grains.

"(5) Upland cotton.—The Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same price the Corporation sells upland cotton for export, but in no event at less than the amount provided for in paragraph (1).

"(d) Nonapplication of Sales Price Restrictions.—The foregoing restrictions of this section shall not apply to—

"(1) sales for new or byproduct uses;

"(2) sales of peanuts and oilseeds for the extraction of oil;

"(3) sales for seed or feed if the sales will not substantially impair any price support program;

"(4) sales of commodities that have substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage;

"(5) sales for the purpose of establishing claims arising out of contract or against persons who have committed fraud, misrepresentation, or other wrongful acts with respect to the commodity;

"(6) sales for export (excluding sales of upland cotton for export);

"(7) sales of wool; and

"(8) sales for other than primary uses.

"(e) Distress, Disaster, and Livestock Emergency Areas.—

"(1) In general.—Notwithstanding the foregoing provisions of this section, the Corporation, on such terms and conditions as the Secretary may consider in the public interest, may—

"(A) make available any farm commodity or product thereof owned or controlled by the Corporation for use in relieving distress—

"(i) in any area in the United States (including the Virgin Islands) declared by the President to be an acute distress area because of unemployment or other economic cause, if the President finds that the use will not displace or interfere with normal marketing of agricultural commodities; and

"(ii) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under the Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.); and

"(B) donate or sell commodities in accordance with title VI.

"(2) Costs.—Except on a reimbursable basis, the Corporation shall not bear any costs in connection with making the commodity available under this subsection beyond the cost of the commodities to the Corporation in—

"(A) the storage of the commodity; and

"(B) the handling and transportation costs in making delivery of the commodity to designated agencies at one or more central locations in each State or other area.

"(f) Efficient Operations.—

"(1) In general.—Subject to paragraph (2), the foregoing restrictions of this section shall not apply to sales of commodities the disposition of which is desirable in the interest of the effective and efficient conduct of the operations of the Corporation because of the small quantities involved, or because of age, location or questionable continued storability of the commodity.

"(2) Offsets.—The sales shall be offset (if necessary) by the purchases of commodities as the Corporation determines is appropriate to prevent the sales from substantially impairing any price support program or unduly affecting market prices, except that the purchase price shall not exceed the Corporation's minimum sales price for the commodities for unrestricted use.

"(3) Competitive bid basis.—Subject to the sales price restrictions contained in this section, the Corporation may sell any basic agricultural commodity or storable nonbasic commodity on a competitive bid basis, if the sale is determined to be appropriate by the Secretary.

"(g) Sales for Export.—For the purposes of this section, sales for export shall include—

"(1) sales made on condition that the identical commodities sold be exported; and

"(2) sales made on condition that commodities of the same kind and of comparable value or quantity be exported, either in raw or processed form.".

SEC. 1131. APPLICATION OF TERMS IN THE AGRICULTURAL ACT OF 1949.

(a) In General.—Subsection (k) of section 408 of the Agricultural Act of 1949 (7 U.S.C. 1428(k)) is amended to read as follows:

"(k)(1) Reference made in sections 402, 403, 406, 407, and 416 to the terms 'support price', 'level of support', and 'level of price support' shall be considered to apply as well to the loan and purchase level for wheat, feed grains, upland cotton, extra long staple cotton, honey, oilseeds and rice under this Act.

"(2) References made to the terms 'price support', 'price support operations', and 'price support program' in such sections and in section 401(a) shall be considered as applying as well to loan and purchase operations for wheat, feed grains, upland cotton, extra long staple cotton, honey, oilseeds and rice under this Act.

"(3) Notwithstanding any other provision of law, this subsection shall be effective only for the 1991 through 1995 crops of wheat, feed grains, upland cotton, extra long staple cotton, honey, oilseeds and rice.".

(b) Producer.—Section 408 of such Act is amended by striking subsections (l) and (m) and inserting the following new subsection:

"(l) 'Producer' shall include a person growing hybrid seed under contract. In determining the interest of a grower of hybrid seed in a crop, the Secretary shall not take into consideration the existence of a hybrid seed contract.".

SEC. 1132. PRODUCER APPEALS PROCESS.

(a) In General.—Title IV of the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 426. APPEALS.

"(a) Right to Appeal.—Any participant in any of the programs under this Act or any other Act administered by the Agricultural Stabilization and Conservation Service, or any successor agency in the United States Department of Agriculture (hereafter in this section referred to as the 'ASCS'), shall have the right to appeal any adverse determination made by any State or county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act, by employees or agents of such committees, by other personnel of the ASCS, or by agents of the Commodity Credit Corporation under this Act or under any other Act administered by the ASCS.

"(b) Appeal Procedure.—

"(1) In general.—Such appeal shall be made in accordance with this section.

"(2) Conditions of appeal.—Any participant who believes that a proper determination has not been made with respect to the implementation of any program administered by the ASCS concerning such participant may appeal such determination as follows:

"(A) if such determination was rendered by a county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act, the participant may appeal such determination to the applicable State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act;

"(B) if such determination was rendered by a State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act, the participant may appeal such determination to the National Appeals Division established in accordance with this section; and

"(C) if such determination was rendered by any other employee or agent of the ASCS or the Commodity Credit Corporation, the participant may appeal such determination to the National Appeals Division.

"(3) TIME OF FILING OF APPEAL.—A participant shall file a notice of appeal within a reasonable time after receiving notice of the adverse determination, as determined by the Secretary.

"(c) NATIONAL APPEALS DIVISION.—

"(1) ESTABLISHMENT.—For the purpose of hearing producer appeals, the Secretary shall establish and maintain within the ASCS, a National Appeals Division, which shall consist of a director, hearing officers, and such other personnel necessary to the administration of the division, all of whom shall be employees of the Department of Agriculture who shall have no duties other than hearing and determining formal appeals arising under this Act or any other Act administered by the Agricultural Stabilization and Conservation Service, or a successor agency.

"(2) HEARING OFFICERS.—Hearing officers within the National Appeals Division shall hear each appeal made to the National Appeals Division under this section.

"(3) POWERS AND DUTIES OF DIRECTOR.—The director of the National Appeals Division, in carrying out the provisions of this section—

"(A) shall have access to all records, reports, audits, reviews, documents, papers, recommendations, or other material available that relate to programs and operations with respect to which an appeal has been taken;

"(B) may request such information or assistance as may be necessary for carrying out the duties and responsibilities established under this section from any Federal, State, or local governmental agency or unit thereof;

"(C) may require the attendance of witnesses, the production of all information, documents, reports, answers, records, accounts, papers, and other data and documentary evidence necessary to the proper resolution of appeals;

"(D) may, if appropriate, require the attendance of witnesses and production of documentary evidence by subpoena, which subpoena, in the case of contumacy or refusal to obey, shall be enforceable by order of any appropriate United States district court;

"(E) may administer oaths and affirmations, whenever necessary in the process of hearing appeals;

"(F) may enter into contracts and other arrangements for reporting and other services and make such payments as may be necessary to carry out the provisions of this section;

"(G) shall issue procedural rules for the conduct of appeals; and

"(H) may delegate to hearing officers the authorities provided in subparagraphs (A) through (E) of this paragraph as the Secretary determines appropriate.

"(4) HEARINGS.—

"(A) IN GENERAL.—The hearing shall be held at a time and place designated by the National Appeals Division.

"(B) CONDUCT OF HEARING.—At a minimum, the hearing shall be conducted as follows:

"(i) the participant shall be advised of the issues involved;

"(ii) the participant shall be given a full opportunity to present facts and information relevant to the matter in issue and may present evidence; and

"(iii) the hearing officer may confine the presentation of facts and evidence to pertinent matters and may exclude irrelevant, immaterial, or unduly repetitious evidence, information, or questions.

"(C) RECORD.—At the request of the participant, each hearing before a hearing officer in the National Appeals Division shall be recorded verbatim by voice recorder, stenographer, or other method. A transcript of the hearing, together with all documents and evidence submitted shall be made available to the participant, on request, if the decision of the hearing officer is appealed. The record of the hearing shall consist of copies of all documents and other evidence presented to the hearing officer and the transcript of the hearing, if prepared.

"(5) REVIEW OF DECISION.—

"(A) IN GENERAL.—The director of the National Appeals Division shall make all determinations with respect to the appeals submitted to the Division for review.

"(B) PROCEDURE.—In submitting an appeal for the determination of the director, the hearing officer shall certify the record and deliver or otherwise provide the certified record to the director.

"(C) BASIS OF REVIEW.—The National Appeals Division shall base its review of the hearing on the transcript of the hearing and the evidence presented to the hearing officer, except that the director of the National Appeals Division may order that further proceedings be had in order that the record presented for review by the National Appeals Division may be complete or in order to hear new or additional evidence.

"(6) INDEPENDENCE OF DIVISION.—All hearing officers within the National Appeals Division shall report to the principal officers of the division and shall not be under the direction or control of, or receive administrative support (except on a reimbursable basis) from, offices other than the National Appeals Division.

"(7) FINALITY OF DECISIONS.—Except as provided in subsection (e), determinations of the director of the National Appeals Division shall be final, conclusive, and binding on the Department of Agriculture, including the Commodity Credit Corporation, and any agency thereof.

"(d) COURT REVIEW.—Final decisions of the Department of Agriculture under the process provided for in this section shall be reviewable by a United States court of competent jurisdiction.

"(e) PARTICIPANT.—For the purposes of this section, a participant means any person whose right to participate in, or receive payments or other benefits in accordance with, any of the programs under this Act or any other Act administered by the ASCS is adversely affected by a determination of any State or country committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act, by employees or agents of such committees, by other personnel of the ASCS, or by agents of the Commodity Credit Corporation under this Act or under any other Act administered by the ASCS.

"(f) DELEGATION OF AUTHORITY.—Nothing contained in this section shall preclude the Secretary, the Administrator of the ASCS, or the Executive Vice President of the Commodity Credit Corporation from determining at any time any question arising under the programs to which the provisions of this section apply or from reversing or modifying (in writing, with sufficient reason given therefor) any determination made by a county or State committee or the director of the National Appeals Division.

"(g) DECISIONS OF STATE AND COUNTY COMMITTEES.—Decisions of the State and County Committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act, or employees of such committees made in good faith in the absence of misrepresentation, false statement, fraud, or wilful misconduct, unless otherwise appealed under this section, shall be final, unless otherwise modified under subsection (f) within 90 days, and no action shall be taken to recover amounts found to have been disbursed thereon in error unless the producer had reason to believe that the decision was erroneous.

"(h) REGULATIONS.—The Secretary may issue such regulations as are determined necessary to implement the provisions of this section, including regulations governing the conduct of appeals made before State and county committees established under section 8(e) of the Soil Conservation and Domestic Allotment Act.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall not apply to any appeal or proceeding with respect to any adverse determination made by any State or county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)), by employees or agents of the committees, by other personnel of the Agricultural Stabilization and Conservation Service, or by agents of the Commodity Credit Corporation prior to the date of enactment of this Act.

(c) GOOD FAITH RELIANCE.—Section 326 of the Food and Agriculture Act of 1962 (7 U.S.C. 1339c) is amended to read as follows:

"SEC. 326. GOOD FAITH RELIANCE.

"Notwithstanding any other provision of law, to the extent the Secretary of Agriculture considers it desirable in order to provide fair and equitable treatment, the Secretary may make price support or other payments available to farmers who have, in attempting to comply with the requirements of any price support or other program administered by the Secretary or any other requirements in law affecting such person's eligibility under such programs, taken actions

in good faith in reliance on the action or advice of an authorized representative of the Secretary. The Secretary may provide such price support or other payments to the extent the Secretary determines such farmer has been injured by such good faith reliance and may require such farmer to take necessary actions designed to remedy any failure to comply with such programs.".

Subtitle D—Miscellaneous Commodity Provisions

SEC. 1141. NORMALLY PLANTED ACREAGE.

Section 1001 of the Food and Agriculture Act of 1977 (7 U.S.C. 1309) is amended—

(1) by striking "1990" each place it appears and inserting in lieu thereof "1995"; and

(2) in subsection (c)(2), by striking "section 107D(d)(3)(A)" and inserting "section 107B(d)(3)(A)".

SEC. 1142. NORMAL SUPPLY.

Section 1019 of the Food Security Act of 1985 (7 U.S.C. 1310a) is amended by striking "1990" and inserting "1995".

SEC. 1143. FOOD SECURITY WHEAT RESERVE.

(a) EXTENSION.—Section 302(i) of the Food Security Wheat Reserve Act of 1980 (7 U.S.C. 1736f-1(i)) is amended by striking "1990" both places it appears and inserting "1995".

(b) REPLENISHMENT.—Section 302(b)(2) of such Act is amended—

(1) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(2) by inserting "(A)" after the paragraph designation;

(3) by adding at the end the following new subparagraph:

"(B) Not later than 18 months after the release of stocks from the reserve, the Secretary of Agriculture shall replenish the reserve—

"(i) through purchases under subparagraph (A)(i), to the extent of available appropriations; or

"(ii) by designating an equivalent quantity of wheat from uncommitted stocks of the Commodity Credit Corporation, to the extent sufficient appropriations are not available under subparagraph (A)(i), except to the extent that the Secretary reports to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that there are not sufficient uncommitted stocks of the Commodity Credit Corporation available.".

SEC. 1144. DETERMINATIONS OF THE SECRETARY.

Section 1017(b) of the Food Security Act of 1985 (Public Law 99-198; 99 Stat. 1459) is amended by striking "1986 through 1990" and inserting "1991 through 1995".

SEC. 1145. NATIONAL AGRICULTURAL COST OF PRODUCTION STANDARDS REVIEW BOARD.

(a) MEMBERSHIP.—The first sentence of section 1006(a)(1) of the Agriculture and Food Act of 1981 (7 U.S.C. 4102(a)(1)) is amended by striking "seven members who are engaged in the commercial production of one or more of the various major agricultural commod-

ities produced in the United States" and inserting "seven members who, individually or as a group, are engaged in the commercial production of each of the program crops and in one or more of the other various major agricultural commodities produced in the United States".

(b) EXTENSION.—*Section 1014 of the Agriculture and Food Act of 1981 (7 U.S.C. 4110) is amended by striking "1990" and inserting "1995".*

SEC. 1146. ASSIGNMENT OF PAYMENTS.

Subsection (g) of section 8 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) is amended to read as follows:

"(g) A payment that may be made to a producer under this section may be assigned only in accordance with regulations issued by the Secretary. This subsection shall not authorize any suit against or impose any liability on the Secretary, any disbursing agent, or any agency of the United States if payment is made to the producer without regard to the existence of any such assignment.".

SEC. 1147. FINANCIAL IMPACT STUDY.

(a) STUDY.—*The Secretary of Agriculture shall conduct an annual study of the financial impact of the support levels established and announced by the Secretary under programs contained in the Agricultural Act of 1949 (hereafter in this section referred to as "programs"), including a study of the effect of the support levels on the ability of producers to meet their financial obligations (with special emphasis on borrowers from the Farmers Home Administration and the Farm Credit System).*

(b) REPORT.—*The Secretary shall annually prepare a report containing the results of the study and submit the report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, not later than the date of the final announcement for the programs by the Secretary for any 1 year.*

(c) INFORMATIONAL PURPOSES.—*The study under this section (including the study of the effect of the support levels on the ability of producers to meet their financial obligations) shall be only for informational purposes and for Congressional oversight and shall not give rise to any cause of action, be a basis for, or be used as evidence in support of, any claim or right of any person, including farmers and borrowers, in any administrative or judicial proceeding.*

SEC. 1148. SURVEY OF PROGRAM PARTICIPANTS.

(a) SURVEY.—*The Secretary of Agriculture (hereafter in this section referred to as the "Secretary") shall provide that producers, during the sign-up period for commodity programs under the Agricultural Act of 1949 (7 U.S.C. 1441) in the 1992 calendar year, complete a survey regarding the preference of the producers, either to increase the efficiency of their farming operation or to assist in meeting conservation requirements for the farm, for the redistribution of any crop acreage bases on each producer's farm. The survey shall include questions designed to determine whether the producers would prefer to redistribute their current crop acreage bases—*

(1) in different proportions among the program crops for which the producers currently have a crop acreage base;

(2) among program crops for which the producers currently do not have a crop acreage base; or

(3) in some combination of the options provided under paragraphs (1) and (2),

without exceeding total cropland of the farm. The survey shall be prepared and administered by the Agricultural Stabilization and Conservation Service, and conducted in every county where sign-ups for Federal commodity programs are administered.

(b) ANALYSIS OF DATA.—The Secretary shall compile and analyze the data collected from the survey required under subsection (a) to determine—

(1) the potential increases and decreases in State, regional, and national acreage that would be planted to various program crops if producers were given the option to redistribute their current crop acreage bases as indicated by the survey conducted under subsection (a);

(2) the potential commodity program costs or savings if producers were allowed to implement the redistribution of such crop acreage bases as described in paragraph (1);

(3) the potential impact of such a redistribution of crop acreage bases on the competitiveness of United States agriculture in world markets; and

(4) such other consequences of such a redistribution of crop acreage bases that the Secretary determines to be of significance to United States agriculture.

(c) REPORT.—Not later than January 31, 1993, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the results of the survey conducted under subsection (a). The report shall—

(1) include a compilation of the data collected pursuant to the survey conducted under subsection (a);

(2) include the results of the analysis and determinations required under subsection (b);

(3) provide a summary of such data and determinations on a program crop-by-program crop and State-by-State basis; and

(4) provide such other recommendations or information as the Secretary determines appropriate.

Subtitle E—Options Pilot Program

SEC. 1151. SHORT TITLE.

This subtitle may be cited as the "Options Pilot Program Act of 1990".

SEC. 1152. PURPOSES.

It is the purpose of this subtitle to require the Secretary of Agriculture (hereinafter in this subtitle referred to as the "Secretary") to conduct research necessary—

(1) to ascertain whether futures options trading would provide reasonable protection to producers from fluctuations in the value of the commodities they produce;

(2) to ascertain whether producers will accept and fully utilize this method of price protection if information is provided to the producers concerning its proper use; and

(3) to determine the effect widespread adoption of such futures options trading program would have on commodity prices.

SEC. 1153. OPTIONS PILOT PROGRAM.

(a) IN GENERAL.—To determine whether regulated agricultural commodity options trading can be used by producers to obtain protection from fluctuations in the market prices of the commodities they produce and the impact of such trading on the prices of the commodities, the Secretary shall conduct a pilot program for each of the 1991 through 1995 crops of corn and for each of the 1993 through 1995 crops of wheat and soybeans.

(b) COUNTIES.—The Secretary shall conduct the pilot program in various counties that produce significant quantities of the 1991 through 1995 crops of corn, and significant quantities of the 1993 through 1995 crops of wheat and soybeans. For the 1991 crop year, the Secretary shall select not less than three counties in each of three major corn-producing States to conduct the pilot program for corn for the crop year. The Secretary may add additional States and counties to the program in succeeding crop years.

(c) BROKERS.—Trades under the pilot program conducted under this subtitle shall be carried out through registered commodity brokers who choose to participate in the program.

(d) ELIGIBLE PRODUCER PARTICIPANTS.—The Secretary shall contract with eligible producers who wish to participate in the program and who are located in the counties selected for the pilot program. The contracts shall set forth the terms and conditions for participation in the pilot program, including a provision that the contract may be terminated by any participating producer at any time prior to receiving payments for options contracted for under the pilot program.

SEC. 1154. TERMS AND CONDITIONS.

(a) ELIGIBILITY REQUIREMENTS.—

(1) IN GENERAL.—To be eligible to participate in the pilot program conducted under this subtitle, a producer shall meet all of the eligibility requirements specified in this subtitle, and the regulations issued pursuant to this subtitle.

(2) PARTICIPATION IN PRICE SUPPORT PROGRAMS.—The regulations shall specify to what degree participation in the price support and production adjustment program established for the applicable crop of the commodity shall be required for participation in the pilot program.

(3) ADDITIONAL REQUIREMENTS.—To be eligible to participate in the pilot program, a producer shall—

(A) attend not less than one seminar conducted by the Cooperative Extension Service;

(B) maintain a separate brokerage account for the purpose of trading futures and options contracts covered by the pilot program; and

(C) compile, maintain, and submit (or authorize the compilation, maintenance, and submission) of such documentation as the regulations governing the program may require

to permit a proper record to be kept of the results of all cash, futures, or options trading that may be undertaken under the pilot program by the producer.

(b) PROGRAM TERMS AND CONDITIONS.—The Secretary shall issue regulations or develop contract forms, or both, that set forth the terms and conditions of the program, and the rights and obligations of all of the parties participating in the program (including producers and registered brokers). At a minimum, the terms and conditions shall include the following:

(1) CONTRACT MONTHS AND STRIKE PRICES.—

(A) IN GENERAL.—The contract months and options strike prices at which participating producers may buy commodity put options in order to receive payments to cover the premiums on the options for each of the 1991 through 1995 crops of corn, and for each of the 1993 through 1995 crops of wheat and soybeans.

(B) TARGET PRICE AND LOAN RATE STRIKE PRICES.—The pilot program shall provide—

(i) a target price strike price for put options that is equivalent to the target price for the commodity involved; and

(ii) a loan rate strike price that is equivalent to the loan rate for the commodity involved.

(C) OTHER OPTIONS STRIKE PRICES.—Other options strike prices for commodities included in the program may be used if the prices are selected and agreed on by the Secretary and the representatives of the commodity futures trading industry designated in accordance with section 1155(a).

(2) ELIGIBLE PORTION OF CROP.—The portion of the crop of an eligible producer that may be used as a basis for acquiring options contracts.

(3) PUT OPTIONS CONTRACTS.—The time when, and the manner in which, put options contracts shall be acquired, held, and liquidated by producers to meet program requirements.

(4) PROGRAM BENEFITS.—

(A) IN GENERAL.—The program benefits to be offered participating producers shall include the cost of option premiums and payments of not more than 15 cents per bushel to cover transaction fees, interest, and other expenses.

(B) RELATIVE BENEFITS.—The Secretary shall inform participants that their participation is voluntary and that neither the United States, the Commodity Credit Corporation, nor representatives of the futures industry can guarantee that the participants will be better or worse off financially as a result of participation in the pilot program than the participants would be if the participants participated solely in price support and production adjustment programs carried out by the Secretary and the Commodity Credit Corporation.

SEC. 1155. COMMODITY FUTURES TRADING INDUSTRY.

(a) CONSULTATION.—The Secretary or the Secretary's designees may consult with representatives of the commodity futures trading industry who are specialists in the trading of futures contracts and

futures options contracts, and who are designated by the regulated commodity futures markets that choose to participate in the pilot program.

(b) PROCEDURE.—The designations and consultations may be held without regard to the Federal Advisory Committee Act (5 U.S.C. App. 2). Such Act shall not be applicable to the pilot program carried out under this subtitle, or to the meetings of representatives of the commodity futures trading industry with the Secretary or the Secretary's designees relating to this subtitle.

SEC. 1156. COMMODITY CREDIT CORPORATION.

(a) IN GENERAL.—The pilot program established under this subtitle shall be carried out by and through the Commodity Credit Corporation.

(b) FUNDS.—The Corporation shall expend such funds as may be required to conduct the pilot program for futures options contract trading in the manner specified in this subtitle and the regulations issued, and contracts entered into, to carry out this subtitle, except that funds of the Corporation may not be used to carry out this subtitle unless the Corporation has received funds to cover such expenditures from appropriations made in advance to carry out this subtitle.

(c) CONTRACTS.—Contracts entered into under this subtitle shall be considered to be program benefit contracts of the Commodity Credit Corporation, and not service or acquisition contracts of the United States.

Subtitle F—Conforming Amendments

SEC. 1161. CONFORMING AMENDMENTS.

(a) MISCELLANEOUS COMMODITY PROVISIONS.—The Agricultural Act of 1949 (7 U.S.C. 1441 et seq.) (as amended by sections 301, 1121, and 1122 of this Act) is further amended—

(1) by transferring sections 107C and 107E (7 U.S.C. 1445b-2 and 1445b-4) to the end of title I and redesignating such sections as sections 114 and 115, respectively; and

(2) by repealing section 107F (7 U.S.C. 1445b-5).

(b) DESIGNATED NONBASIC AGRICULTURAL COMMODITIES.—Section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446) is amended—

(1) in the first sentence—

(A) by inserting "(a)" before "The Secretary"; and

(B) by striking "as follows:" and inserting "in accordance with this title.";

(2) in subsection (c), by striking "subsection (d)" and inserting "section 204"; and

(3) by redesignating subsection (c) (as amended) as subsection (b).

(c) SUGAR.—Section 902(a) of the Food Security Act of 1985 (7 U.S.C. 1446 note) is amended by striking "section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446)" and inserting "section 206 of the Agricultural Act of 1949".

(d) HONEY.—Section 405A(a) of the Agricultural Act of 1949 (7 U.S.C. 1425a(a)) is amended—

(1) by striking "section 201(b) of this Act" and inserting "section 207"; and

(2) by striking "section 201(b)(2)(B)" and inserting "section 207(b)(2)".

Subtitle G—Effective Date

SEC. 1171. EFFECTIVE DATE.

(a) In General.—Except as otherwise specifically provided in title I through this title, such titles and the amendments made by such titles shall become effective beginning with the 1991 crop of an agricultural commodity.

(b) Prior Crops.—Except as otherwise specifically provided and notwithstanding any other provision of law, title I through this title, and the amendments made by such titles, shall not affect the authority of the Secretary of Agriculture to carry out a price support or production adjustment program for any of the 1986 through 1990 crops of an agricultural commodity established under a provision of law in effect immediately before the effective date prescribed by subsection (a).

TITLE XII—STATE AND PRIVATE FORESTRY

SEC. 1201. SHORT TITLE.

This title may be cited as the "Forest Stewardship Act of 1990".

Subtitle A—Cooperative Forestry Assistance Act of 1978

SEC. 1211. REFERENCES.

Whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101 et seq.).

SEC. 1212. FINDINGS, PURPOSE, AND POLICY.

Section 2 of the Act (16 U.S.C. 2101) is amended to read as follows:

"SEC. 2. FINDINGS, PURPOSE, AND POLICY.

"(a) Findings.—Congress finds that—

"(1) most of the productive forest land of the United States is in private, State, and local governmental ownership, and the capacity of the United States to produce renewable forest resources is significantly dependent on such non-Federal forest lands;

"(2) adequate supplies of timber and other forest resources are essential to the United States, and adequate supplies are dependent on efficient methods for establishing, managing, and *harvesting trees and processing, marketing, and using wood and wood products;*

"(3) nearly one-half of the wood supply of the United States comes from nonindustrial private timberlands and such percentage could rise with expanded assistance programs;

"(4) managed forest lands provide habitats for fish and wildlife, as well as aesthetics, outdoor recreation opportunities, and other forest resources;

"(5) the soil, water, and air quality of the United States can be maintained and improved through good stewardship of privately held forest resources;

"(6) insects and diseases affecting trees occur and sometimes create emergency conditions on all land, whether Federal or non-Federal, and efforts to prevent and control such insects and diseases often require coordinated action by both Federal and non-Federal land managers;

"(7) fires in rural areas threaten human lives, property, forests and other resources, and Federal-State cooperation in forest fire protection has proven effective and valuable;

"(8) trees and forests are of great environmental and economic value to urban areas;

"(9) managed forests contribute to improving the quality, quantity, and timing of water yields that are of broad benefit to society;

"(10) over half the forest lands of the United States are in need of some type of conservation treatment;

"(11) forest landowners are being faced with increased pressure to convert their forest land to development and other purposes;

"(12) increased population pressures and user demands are being placed on private, as well as public, landholders to provide a wide variety of products and services, including fish and wildlife habitat, aesthetic quality, and recreational opportunities;

"(13) stewardship of privately held forest resources requires a long-term commitment that can be fostered through local, State, and Federal governmental actions;

"(14) the Department of Agriculture, through the coordinated efforts of its agencies with forestry responsibilities, cooperating with other Federal agencies, State foresters, and State political subdivisions, has the expertise and experience to assist private landowners in achieving individual goals and public benefits regarding forestry;

"(15) the products and services resulting from nonindustrial private forest land stewardship provide income and employment that contribute to the economic health and diversity of rural communities; and

"(16) sustainable agroforestry systems and tree planting in semiarid lands can improve environmental quality and maintain farm yields and income.

"(b) PURPOSE.—It is the purpose of this Act to authorize the Secretary of Agriculture (hereafter in this Act referred to as the 'Secretary'), with respect to non-Federal forest lands of the United States, to assist in—

"(1) the establishment of a coordinated and cooperative Federal, State, and local forest stewardship program for management of the non-Federal forest lands;

"(2) the encouragement of the production of timber;

"(3) the prevention and control of insects and diseases affecting trees and forests;

"(4) the prevention and control of rural fires;

"(5) the efficient utilization of wood and wood residues, including the recycling of wood fiber;

"(6) the improvement and maintenance of fish and wildlife habitat;

"(7) the planning and conduct of urban forestry programs;

"(8) broadening existing forest management, fire protection, and insect and disease protection programs on non-Federal forest lands to meet the multiple use objectives of landowners in an environmentally sensitive manner;

"(9) providing opportunities to private landowners to protect ecologically valuable and threatened non-Federal forest lands; and

"(10) strengthening educational, technical, and financial assistance programs that provide assistance to owners of non-Federal forest lands.

"(c) POLICY.—It is the policy of Congress that it is in the national interest for the Secretary to work through and in cooperation with State foresters, or equivalent State officials, nongovernmental organizations, and the private sector in implementing Federal programs affecting non-Federal forest lands.

"(d) CONSTRUCTION.—This Act shall be construed to complement the policies and direction under the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1600 et seq.).".

SEC. 1213. RURAL FORESTRY ASSISTANCE.

Section 3 of the Act (16 U.S.C. 2102) is amended to read as follows:

"SEC. 3. RURAL FORESTRY ASSISTANCE.

"(a) ASSISTANCE TO FOREST LANDOWNERS AND OTHERS.—The Secretary may provide financial, technical, educational, and related assistance to State foresters or equivalent State officials, and State extension directors, to enable such officials to provide technical information, advice, and related assistance to private forest land owners and managers, vendors, forest resource operators, forest resource professionals, public agencies, and individuals to enable such persons to carry out activities that are consistent with the purposes of this Act, including—

"(1) protecting, maintaining, enhancing, restoring, and preserving forest lands and the multiple values and uses that depend on such lands;

"(2) identifying, protecting, maintaining, enhancing, and preserving wildlife and fish species, including threatened and endangered species, and their habitats;

"(3) implementing forest management technologies;

"(4) selecting, producing, and marketing alternative forest crops, products and services from forest lands;

"(5) protecting forest land from damage caused by fire, insects, disease, and damaging weather;

"(6) managing the rural-land and urban-land interface to balance the use of forest resources in and adjacent to urban and community areas;

"(7) identifying and managing recreational forest land resources;

"(8) identifying and protecting the aesthetic character of forest lands;

"(9) protecting forest land from conversion to alternative uses; and

"(10) the management of resources of forest lands, including—

"(A) the harvesting, processing, and marketing of timber and other forest resources and the marketing and utilization of wood and wood products;

"(B) the conversion of wood to energy for domestic, industrial, municipal, and other uses;

"(C) the planning, management, and treatment of forest land, including site preparation, reforestation, thinning, prescribed burning, and other silvicultural activities designed to increase the quantity and improve the quality of timber and other forest resources;

"(D) ensuring that forest regeneration or reforestation occurs if needed to sustain long-term resource productivity;

"(E) protecting and improving forest soil fertility and the quality, quantity, and timing of water yields; and

"(F) encouraging the investment of a portion of the proceeds from the sale of timber or other forest resources in stewardship activities that preserve, protect, maintain, and enhance their forest land.

"(b) STATE FORESTRY ASSISTANCE.—The Secretary is authorized to provide financial, technical, and related assistance to State foresters, or equivalent State officials, to—

"(1) develop genetically improved tree seeds;

"(2) develop and contract for the development of field arboretums, greenhouses, and tree nurseries, in cooperation with a State, to facilitate production and distribution of tree seeds and seedlings in States where the Secretary determines that there is an inadequate capacity to carry out present and future reforestation needs;

"(3) procure, produce, and distribute tree seeds and trees for the purpose of establishing forests, windbreaks, shelterbelts, woodlots, and other plantings;

"(4) plant tree seeds and seedlings on non-Federal forest lands that are suitable for the production of timber, recreation, and for other benefits associated with the growing of trees;

"(5) plan, organize, and implement measures on non-Federal forest lands, including thinning, prescribed burning, and other silvicultural activities designed to increase the quantity and improve the quality of trees and other vegetation, fish and wildlife habitat, and water yielded therefrom; and

"(6) protect or improve soil fertility on non-Federal forest lands and the quality, quantity, and timing of water yields therefrom.

"(c) IMPLEMENTATION.—In implementing this section, the Secretary shall cooperate with other Federal, State, and local natural resource management agencies, universities and the private sector.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.".

SEC. 1214. FOREST INCENTIVES PROGRAM.

Section 4 of the Act (16 U.S.C. 2103) is amended by adding at the end the following new subsection:

"(k) The program developed by the Secretary under this section shall terminate on December 31, 1995.".

SEC. 1215. FOREST STEWARDSHIP PROGRAM.

The Act (16 U.S.C. 2101 et seq.) is amended—

(1) by redesignating sections 5 through 15 as sections 8 through 18, respectively; and

(2) by inserting after section 4 the following new section:

"SEC. 5. FOREST STEWARDSHIP PROGRAM.

"(a) ESTABLISHMENT.—The Secretary, in consultation with State foresters or equivalent State officials, shall establish a Forest Stewardship Program (hereafter referred to in this section as the 'Program') to encourage the long-term stewardship of nonindustrial private forest lands by assisting owners of such lands to more actively manage their forest and related resources by utilizing existing State, Federal, and private sector resource management expertise and assistance programs.

"(b) GOAL.—The goal of the Program shall be to enter at least 25,000,000 acres of nonindustrial private forest lands in the Program by December 31, 1995.

"(c) DEFINITION.—For the purposes of this section, the term 'nonindustrial private forest lands' means rural, as determined by the Secretary, lands with existing tree cover, or suitable for growing trees, and owned by any private individual, group, association, corporation, Indian tribe, or other private legal entity.

"(d) IMPLEMENTATION.—In carrying out the Program the Secretary, in consultation with State Foresters or equivalent State officials, shall provide financial, technical, educational, and related assistance to State Foresters or equivalent State officials, including assistance to help such State Foresters or equivalent officials to provide financial assistance to other State and local natural resource entities, both public and private, and land-grant universities for the delivery of information and professional assistance to owners of nonindustrial private forest lands. Such information and assistance shall be directed to help such owners understand and evaluate alternative actions they might take, including—

"(1) managing and enhancing the productivity of timber, fish and wildlife habitat, water quality, wetlands, recreational resources, and the aesthetic value of forest lands;

"(2) investing in practices to protect, maintain, and enhance the resources identified in paragraph (1);

"(3) ensuring that afforestation, reforestation, improvement of poorly stocked stands, timber stand improvement, practices necessary to improve seedling growth and survival, and growth enhancement practices occur where needed to enhance and sustain the long-term productivity of timber and nontimber forest resources to help meet future public demand for all forest resources and provide the environmental benefits that result; and

"(4) protecting their forests from damage caused by fire, insects, disease, and damaging weather.

"(e) ELIGIBILITY.—All nonindustrial private forest lands that are not in management under Federal, State, or private sector financial and technical assistance programs existing on the date of enactment of this section are eligible for assistance under the Program. Nonindustrial private forest lands that are managed under such existing programs are eligible for assistance under the Program if forest management activities are expanded and enhanced and the landowner agrees to meet the requirements of this Act.

"(f) DUTIES OF OWNERS.—To enter forest land into the Program, landowners shall—

"(1) prepare and submit to the State forester or equivalent State official a forest stewardship plan that meets the requirements of this section and that—

"(A) is prepared by a professional resource manager;

"(B) identifies and describes actions to be taken by the landowner to protect soil, water, range, aesthetic quality, recreation, timber, water, and fish and wildlife resources on such land in a manner that is compatible with the objectives of the landowner; and

"(C) is approved by the State forester, or equivalent State official; and

"(2) agree that all activities conducted on such land shall be consistent with the stewardship plan.

"(g) STEWARDSHIP RECOGNITION.—The Secretary, in consultation with State foresters or equivalent State officials, is encouraged to develop an appropriate recognition program for landowners who practice stewardship management on their lands, with an appropriate, special recognition symbol and title.

"(h) AUTHORIZATION OF APPROPRIATIONS.—There are hereby authorized to be appropriated $25,000,000 for each of the fiscal years 1991 through 1995, and such sums as may be necessary thereafter, to carry out this section.".

SEC. 1216. STEWARDSHIP INCENTIVE PROGRAM.

The Act (16 U.S.C. 2101 et seq.) is amended by inserting after section 5 (as added by section 1215 of this Act) the following new section:

"SEC. 6. STEWARDSHIP INCENTIVE PROGRAM.

"(a) ESTABLISHMENT.—The Secretary, in consultation with State foresters or equivalent State officials, shall establish a program within the Forest Service, to be known as the 'Stewardship Incentive Program' (hereafter referred to in this section as the 'Program'), to meet the objectives and goals of section 5.

"(b) ELIGIBILITY.—

"(1) In general.—Owners of nonindustrial private forest lands shall be eligible for cost-sharing assistance under the Program if such owners—

"(A) have developed an approved forest stewardship plan pursuant to section 5(f);

"(B) agree to implement approved activities pursuant to paragraph (4) in accordance with the plan for a period of not less than 10 years unless the State forester or equivalent State official approves a modification to such plan; and

"(C) own not more than 1,000 acres of nonindustrial private forest land, except that the Secretary may approve the provision of cost-sharing assistance to landowners that own more than 1,000 acres of such land if the Secretary determines that significant public benefits will accrue from such approval.

"(2) Limitation.—

"(A) Secretary.—The Secretary shall not approve of the provision of cost-sharing assistance to any landowner owning in excess of 5,000 acres of nonindustrial private forest land.

"(B) Landowner.—A landowner shall not receive cost-share assistance for management on acreage under this section if such landowner receives cost-share assistance on the same acreage under section 4.

"(3) State priorities.—The Secretary in consultation with the State forester, or equivalent State official, other State natural resource management agencies, and the State Coordinating Committee established pursuant to section 19(b), may develop State priorities for cost sharing under this section that will promote unique forest management objectives in that State.

"(4) Approved activities.—

"(A) Development.—The Secretary, in consultation with the State Coordinating Committees established pursuant to section 19(b), shall develop a list of approved forest activities and practices that will be eligible for cost-share assistance under the Program within each State.

"(B) Type of activities.—The Secretary, in developing a list of approved activities and practices under subparagraph (A), shall attempt to achieve landowner and public purposes including—

"(i) the establishment, management, maintenance, and restoration of forests for shelterbelts, windbreaks, aesthetic quality, and other conservation purposes;

"(ii) the sustainable growth and management of forests for timber production;

"(iii) the protection, restoration, and use of forest wetlands;

"(iv) the enhanced management and maintenance of native vegetation on other lands vital to water quality;

"(v) the growth and management of trees for energy conservation purposes;

"(vi) the management and maintenance of fish and wildlife habitat;

"(vii) the management of outdoor recreational opportunities; and

"(viii) other activities approved by the Secretary.

"(c) REIMBURSEMENT OF ELIGIBLE ACTIVITIES.—

"(1) IN GENERAL.—The Secretary shall share the cost of developing and carrying out the forest stewardship plan under section 5(f), and in implementing the approved activities that the Secretary determines are appropriate and in the public interest, with a landowner who has entered in an agreement to place the forest land of such owner into the Program.

"(2) RATE.—The Secretary, in consultation with the State forester, or equivalent State official, shall determine the appropriate reimbursement rate for cost-share payments under paragraph (1) and the schedule for making such payments.

"(3) MAXIMUM.—The Secretary shall not make cost-share payments under this subsection to a landowner in an amount in excess of 75 percent of the total cost to such landowner of developing the forest stewardship plan and implementing eligible activities under the plan. The maximum payments to any one landowner shall be determined by the Secretary.

"(d) RECAPTURE.—

"(1) IN GENERAL.—The Secretary shall establish and implement a mechanism to recapture payments made to a landowner in the event that the landowner fails to implement any approved activity specified in the forest stewardship plan for which such owner received cost-share payments.

"(2) ADDITIONAL PROVISION.—The provisions of paragraph (1) are in addition to any other provision available.

"(e) DISTRIBUTION.—The Secretary shall distribute funds available for cost sharing under this section among the States only after assessing the public benefit incident to such distribution and after giving appropriate consideration to—

"(1) the total acreage of nonindustrial private forest land in each State;

"(2) the potential productivity of such land;

"(3) the number of owners eligible for cost sharing in each State;

"(4) the need for reforestation in each State;

"(5) the opportunities to enhance nontimber resources on such forest lands; and

"(6) the anticipated demand for timber and nontimber resources in each State.

"(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $100,000,000 for each of the fiscal years 1991 through 1995, and such sums as may be necessary thereafter, to carry out this section.".

SEC. 1217. FOREST LEGACY PROGRAM.

The Act (16 U.S.C. 2101 et seq.) is amended by inserting after section 6 (as added by section 1216 of this Act) the following new section:

"SEC. 7. FOREST LEGACY PROGRAM.

"(a) ESTABLISHMENT AND PURPOSE.—The Secretary shall establish a program, to be known as the Forest Legacy Program, in coopera-

tion with appropriate State, regional, and other units of government for the purposes of ascertaining and protecting environmentally important forest areas that are threatened by conversion to nonforest uses and, through the use of conservation easements and other mechanisms, for promoting forest land protection and other conservation opportunities. Such purposes shall also include the protection of important scenic, cultural, fish, wildlife, and recreational resources, riparian areas, and other ecological values.

"(b) STATE AND REGIONAL FOREST LEGACY PROGRAMS.—The Secretary shall exercise the authority under subsection (a) in conjunction with State or regional programs that the Secretary deems consistent with this section.

"(c) INTERESTS IN LAND.—In addition to the authorities granted under section 6 of the Act of March 1, 1911 (16 U.S.C. 515), and section 11(a) of the Department of Agriculture Organic Act of 1956 (7 U.S.C. 428a(a)), the Secretary may acquire from willing landowners lands and interests therein, including conservation easements and rights of public access, for Forest Legacy Program purposes. The Secretary shall not acquire conservation easements with title held in common ownership with any other entity.

"(d) IMPLEMENTATION.—

"(1) IN GENERAL.—Lands and interests therein acquired under subsection (c) may be held in perpetuity for program and easement administration purposes as the Secretary may provide. In administering lands and interests therein under the program, the Secretary shall identify the environmental values to be protected by entry of the lands into the program, management activities which are planned and the manner in which they may affect the values identified, and obtain from the landowner other information determined appropriate for administration and management purposes.

"(2) INITIAL PROGRAMS.—Not later than 1 year after the date of enactment of this section, the Secretary shall establish a regional program in furtherance of the Northern Forest Lands Study in the States of New York, New Hampshire, Vermont, and Maine under Public Law 100–446. The Secretary shall establish additional programs in each of the Northeast, Midwest, South, and Western regions of the United States, and the Pacific Northwest (including the State of Washington), on the preparation of an assessment of the need for such programs.

"(e) ELIGIBILITY.—Within 1 year from the date of enactment of this section and in consultation with State Forest Stewardship Advisory Committees established under section 15(b) and similar regional organizations, the Secretary shall establish eligibility criteria for the designation of forest areas from which lands may be entered into the Forest Legacy Program and subsequently select such appropriate areas. To be eligible, such areas shall have significant environmental values or shall be threatened by present or future conversion to nonforest uses. Of land proposed to be included in the Forest Legacy Program, the Secretary shall give priority to lands which can be effectively protected and managed, and which have important scenic or recreational values; riparian areas; fish and wildlife values, including threatened and endangered species; or other ecological values.

"(f) Application.—For areas included in the Forest Legacy Program, an owner of lands or interests in lands who wishes to participate may prepare and submit an application at such time in such form and containing such information as the Secretary may prescribe. The Secretary shall give reasonable advance notice for the submission of all applications to the State forester, equivalent State official, or other appropriate State or regional natural resource management agency. If applications exceed the ability of the Secretary to fund them, priority shall be given to those forest areas having the greatest need for protection pursuant to the criteria described in subsection (d).

"(g) State Consent.—Where a State has not approved the acquisition of land under section 6 of the Act of March 1, 1911 (16 U.S.C. 515), the Secretary shall not acquire lands or interests therein under authority granted by this section outside an area of that State designated as a part of a program established under subsection (b).

"(h) Forest Management Activities.—

"(1) In general.—Conservation easements or deed reservations acquired or reserved pursuant to this section may allow forest management activities, including timber management, on areas entered in the Forest Legacy Program insofar as the Secretary deems such activities consistent with the purposes of this section.

"(2) Assignment of responsibilities.—For Forest Legacy Program areas, the Secretary may delegate or assign management and enforcement responsibilities over federally owned lands and interests in lands only to another governmental entity.

"(i) Duties of Owners.—Under the terms of a conservation easement or other property interest acquired under subsection (b), the landowner shall be required to manage property in a manner that is consistent with the purposes for which the land was entered in the Forest Legacy Program and shall not convert such property to other uses. Hunting, fishing, hiking, and similar recreational uses shall not be considered inconsistent with the purposes of this program.

"(j) Compensation and Cost Sharing.—

"(1) Compensation.—The Secretary shall pay the fair market value of any property interest acquired under this section. Payments under this section shall be in accordance with Federal appraisal and acquisition standards and procedures.

"(2) Cost sharing.—In accordance with terms and conditions that the Secretary shall prescribe, costs for the acquisition of lands or interests therein or project costs shall be shared among participating entities including regional organizations, State and other governmental units, landowners, corporations, or private organizations. Such costs may include, but are not limited to, those associated with planning, administration, property acquisition, and property management. To the extent practicable, the Federal share of total program costs shall not exceed 75 percent, including any in-kind contribution.

"(k) Easements.—

"(1) Reserved interest deeds.—As used in this section, the term 'conservation easement' includes an easement utilizing a reserved interest deed where the grantee acquires all rights,

title, and interests in a property, except those rights, title, and interests that may run with the land that are expressly reserved by a grantor.

"(2) PROHIBITIONS ON LIMITATIONS.—Notwithstanding any provision of State law, no conservation easement held by the United States or its successors or assigns under this section shall be limited in duration or scope or be defeasible by—

"(A) the conservation easement being in gross or appurtenant;

"(B) the management of the conservation easement having been delegated or assigned to a non-Federal entity;

"(C) any requirement under State law for re-recordation or renewal of the easement; or

"(D) any future disestablishment of a Forest Legacy Program area or other Federal project for which the conservation easement was originally acquired.

"(3) CONSTRUCTION.—Notwithstanding any provision of State law, conservation easements shall be construed to effect the Federal purposes for which they were acquired and, in interpreting their terms, there shall be no presumption favoring the conservation easement holder or fee owner.

"(l) APPROPRIATION.—There are authorized to be appropriated such sums as may be necessary to carry out this section.".

SEC. 1218. FOREST HEALTH PROTECTION.

Section 8 of the Act (as redesignated by section 1215 of this Act) (16 U.S.C. 2104) is amended to read as follows:

"SEC. 8. FOREST HEALTH PROTECTION.

"(a) IN GENERAL.—The Secretary may protect trees and forests and wood products, stored wood, and wood in use directly on the National Forest System and, in cooperation with others, on other lands in the United States, from natural and man-made causes, to—

"(1) enhance the growth and maintenance of trees and forests;

"(2) promote the stability of forest-related industries and employment associated therewith through the protection of forest resources;

"(3) aid in forest fire prevention and control;

"(4) conserve forest cover on watersheds, shelterbelts, and windbreaks;

"(5) protect outdoor recreation opportunities and other forest resources; and

"(6) extend timber supplies by protecting wood products, stored wood, and wood in use.

"(b) ACTIVITIES.—Subject to subsections (c), (d), and (e) and to such other conditions the Secretary may prescribe the Secretary may, directly on the National Forest System, in cooperation with other Federal departments on other Federal lands, and in cooperation with State foresters, or equivalent State officials, subdivisions of States, agencies, institutions, organizations, or individuals on non-Federal lands—

"(1) conduct surveys to detect and appraise insect infestations and disease conditions and man-made stresses affecting trees and establish a monitoring system throughout the forests of the

United States to determine detrimental changes or improvements that occur over time, and report annually concerning such surveys and monitoring;

"(2) determine the biological, chemical, and mechanical measures necessary to prevent, retard, control, or suppress incipient, potential, threatening, or emergency insect infestations and disease conditions affecting trees;

"(3) plan, organize, direct, and perform measures the Secretary determines necessary to prevent, retard, control, or suppress incipient, potential, threatening, or emergency insect infestations and disease epidemics affecting trees;

"(4) provide technical information, advice, and related assistance on the various techniques available to maintain a healthy forest and in managing and coordinating the use of pesticides and other toxic substances applied to trees and other vegetation, and to wood products, stored wood, and wood in use;

"(5) develop applied technology and conduct pilot tests of research results prior to the full-scale application of such technology in affected forests;

"(6) promote the implementation of appropriate silvicultural or management techniques that may improve or protect the health of the forests of the United States; and

"(7) take any other actions the Secretary determines necessary to accomplish the objectives and purposes of this section.

"(c) Consent of Entity.—Operations under this section to prevent, retard, control, or suppress insects or diseases affecting forests and trees on land not controlled or administered by the Secretary shall not be conducted without the consent, cooperation, and participation of the entity having ownership of or jurisdiction over the affected land.

"(d) Contribution by Entity.—No money appropriated to implement this section shall be expended to prevent, retard, control, or suppress insects or diseases affecting trees on non-Federal land until the entity having ownership of or jurisdiction over the affected land contributes, or agrees to contribute, to the work to be done in the amount and in the manner determined appropriate by the Secretary.

"(e) Allotments to Other Agencies.—The Secretary may, in the Secretary's discretion, and out of any money appropriated to implement this section, make allocations to Federal agencies having jurisdiction over lands held or owned by the United States in the amounts the Secretary determines necessary to prevent, retard, control, or suppress insect infestations and disease epidemics affecting trees on those lands.

"(f) Limitation on Use of Appropriations.—

"(1) Removing dead trees.—No amounts appropriated shall be used to—

"(A) pay the cost of felling and removing dead or dying trees unless the Secretary determines that such actions are necessary to prevent the spread of a major insect infestation or disease epidemic severely affecting trees; or

"(B) compensate for the value of any property injured, damaged, or destroyed by any cause.

"(2) Insects and diseases affecting trees.—The Secretary may procure materials and equipment necessary to prevent,

retard, control, or suppress insects and diseases affecting trees without regard to section 3709 of the Revised Statutes (41 U.S.C. 5), under whatever procedures the Secretary may prescribe, if the Secretary determines that such action is necessary and in the public interest.

"(g) PARTNERSHIPS.—The Secretary, by contract or cooperative agreement, may provide financial assistance through the Forest Service to State foresters or equivalent State officials, and private forestry and other organizations, to monitor forest health and protect the forest lands of the United States. The Secretary shall require contribution by the non-Federal entity in the amount and in the manner determined appropriate. Such non-Federal share may be in the form of cash, services, or equipment, as determined appropriate by the Secretary.

"(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated annually such sums as may be necessary to carry out subsections (a) through (g).".

"(i) INTEGRATED PEST MANAGEMENT.—

"(1) IN GENERAL.—Subject to the provisions of subsections (c) and (e), the Secretary shall, in cooperation with State foresters or equivalent State officials, subdivisions of States, or other entities on non-Federal lands (hereafter in this subsection referred to as the 'cooperator')—

"(A) provide cost-share assistance to such cooperators who have established an acceptable integrated pest management strategy, as determined by the Secretary, that will prevent, retard, control, or suppress gypsy moth, southern pine beetle, spruce budworm infestations, or other major insect infestations in an amount no less than 50 percent nor greater than 75 percent of the cost of implementing such strategy; and

"(B) upon request, assist the cooperator in the development of such integrated pest management strategy.

"(2) AUTHORIZATION OF APPROPRIATIONS.—There are hereby authorized to be appropriated annually $10,000,000 to implement this subsection.".

SEC. 1219. URBAN AND COMMUNITY FORESTRY ASSISTANCE.

(a) AMENDMENT TO COOPERATIVE FORESTRY ASSISTANCE ACT.—Section 9 of the Act (16 U.S.C. 2105) (as redesignated by section 1215) is amended to read as follows:

"SEC. 9. URBAN AND COMMUNITY FORESTRY ASSISTANCE.

"(a) FINDINGS.—The Congress finds that—

"(1) the health of forests in urban areas and communities, including cities, their suburbs, and towns, in the United States is on the decline;

"(2) forest lands, shade trees, and open spaces in urban areas and communities improve the quality of life for residents;

"(3) forest lands and associated natural resources enhance the economic value of residential and commercial property in urban and community settings;

"(4) urban trees are 15 times more effective than forest trees at reducing the buildup of carbon dioxide and aid in promoting

energy conservation through mitigation of the heat island effect in urban areas;

"(5) tree plantings and ground covers such as low growing dense perennial turfgrass sod in urban areas and communities can aid in reducing carbon dioxide emissions, mitigating the heat island effect, and reducing energy consumption, thus contributing to efforts to reduce global warming trends;

"(6) efforts to encourage tree plantings and protect existing open spaces in urban areas and communities can contribute to the social well-being and promote a sense of community in these areas; and

"(7) strengthened research, education, technical assistance, and public information and participation in tree planting and maintenance programs for trees and complementary ground covers for urban and community forests are needed to provide for the protection and expansion of tree cover and open space in urban areas and communities.

"(b) PURPOSES.—The purposes of this section are to—

"(1) improve understanding of the benefits of preserving existing tree cover in urban areas and communities;

"(2) encourage owners of private residences and commercial properties to maintain trees and expand forest cover on their properties;

"(3) provide education programs and technical assistance to State and local organizations (including community associations and schools) in maintaining forested lands and individual trees in urban and community settings and identifying appropriate tree species and sites for expanding forest cover;

"(4) provide assistance through competitive matching grants awarded to local units of government, approved organizations that meet the requirements of section 501(c)(3) of the Internal Revenue Code of 1986, or other local community tree volunteer groups, for urban and community forestry projects;

"(5) implement a tree planting program to complement urban and community tree maintenance and open space programs and to reduce carbon dioxide emissions, conserve energy, and improve air quality in addition to providing other environmental benefits;

"(6) promote the establishment of demonstration projects in selected urban and community settings to illustrate the benefits of maintaining and creating forest cover and trees;

"(7) enhance the technical skills and understanding of sound tree maintenance and arboricultural practices including practices involving the cultivation of trees, shrubs and complementary ground covers, of individuals involved in the planning, development, and maintenance of urban and community forests and trees; and

"(8) expand existing research and educational efforts intended to improve understanding of—

"(A) tree growth and maintenance, tree physiology and morphology, species adaptations, and forest ecology,

"(B) the value of integrating trees and ground covers,

"(C) the economic, environmental, social, and psychological benefits of trees and forest cover in urban and community environments, and

"(D) the role of urban trees in conserving energy and mitigating the urban heat island.

"(c) GENERAL AUTHORITY.—The Secretary is authorized to provide financial, technical, and related assistance to State foresters or equivalent State officials for the purpose of encouraging States to provide information and technical assistance to units of local government and others that will encourage cooperative efforts to plan urban forestry programs and to plant, protect, and maintain, and utilize wood from, trees in open spaces, greenbelts, roadside screens, parks, woodlands, curb areas, and residential developments in urban areas. In providing such assistance, the Secretary is authorized to cooperate with interested members of the public, including nonprofit private organizations. The Secretary is also authorized to cooperate directly with units of local government and others in implementing this section whenever the Secretary and the affected State forester or equivalent State official agree that direct cooperation would better achieve the purposes of this section.

"(d) PROGRAM OF EDUCATION AND TECHNICAL ASSISTANCE.—The Secretary, in cooperation with State foresters and State extension directors or equivalent State officials and interested members of the public, including nonprofit private organizations, shall implement a program of education and technical assistance for urban and community forest resources. The program shall be designed to—

"(1) assist urban areas and communities in conducting inventories of their forest resources, including inventories of the species, number, location, and health of trees in urban areas and communities, identifying opportunities for the establishment of plantings for the purposes of conserving energy, and determining the status of related resources (including fish and wildlife habitat, water resources, and trails);

"(2) assist State and local organizations (including community associations and schools) in organizing and conducting urban and community forestry projects and programs;

"(3) improve education and technical support in—

"(A) selecting tree species appropriate for planting in urban and community environments and for promotion of energy conservation;

"(B) providing for proper tree planting, maintenance, and protection in urban areas and communities;

"(C) protecting individual trees and preserving existing open spaces with or without tree cover; and

"(D) identifying opportunities for expanding tree cover in urban areas and communities;

"(4) assist in the development of State and local management plans for trees and associated resources in urban areas and communities; and

"(5) increase public understanding of the energy conservation, economic, social, environmental, and psychological values of trees and open space in urban and community environments and expand knowledge of the ecological relationships and benefits of trees and related resources in these environments.

"(e) Procurement of Plant Materials.—The Secretary, in cooperation with State foresters or equivalent State officials, shall assist in identifying sources of plant materials and may procure or otherwise obtain such plant materials from public or private sources and may make such plant materials available to urban areas and communities for the purpose of reforesting open spaces, replacing dead and dying urban trees, promoting energy conservation, and providing other environmental benefits through expanding tree cover in urban areas and communities.

"(f) Challenge Cost-Share Program.—

"(1) In general.—The Secretary shall establish an urban and community forestry challenge cost-share program. Funds or other support shall be provided under such program to eligible communities and organizations, on a competitive basis, for urban and community forestry projects. The Secretary shall annually make awards under the program in accordance with criteria developed in consultation with, and after consideration of recommendations received from, the National Urban and Community Forestry Advisory Council established under subsection (g). Each State forester or equivalent State official may make recommendations to the Secretary for awards under the program for project proposals in their State which meet such criteria. Awards shall be consistent with the cost-share requirements of this section.

"(2) Cost-sharing.—The Federal share of support for a project provided under this subsection may not exceed 50 percent of the support for that project and shall be provided on a matching basis. The non-Federal share of such support may be in the form of cash, services, or in-kind contributions.

"(g) Forestry Advisory Council.—

"(1) Establishment and purpose.—The Secretary shall establish a National Urban and Community Forestry Advisory Council (hereafter in this section referred to as the 'Council') for the purpose of—

"(A) developing a national urban and community forestry action plan;

"(B) evaluating the implementation of that plan; and

"(C) developing criteria for, and submitting recommendations with respect to, the urban and community forestry challenge cost-share program under subsection (e).

"(2) Composition and operation.—

"(A) Composition.—The Council shall be composed of 15 members appointed by the Secretary, as follows:

"(i) 2 members representing national nonprofit forestry and conservation citizen organizations,

"(ii) 3 members, 1 each representing State, county, and city and town governments,

"(iii) 1 member representing the forest products, nursery, or related industries,

"(iv) 1 member representing urban forestry, landscape, or design consultants,

"(v) 2 members representing academic institutions with an expertise in urban and community forestry activities,

"(vi) 1 member representing State forestry agencies or equivalent State agencies,

"(vii) 1 member representing a professional renewable natural resource or arboricultural society,

"(viii) 1 member from the Extension Service,

"(ix) 1 member from the Forest Service, and

"(x) 2 members who are not officers or employees of any governmental body, 1 of whom is a resident of a community with a population of less than 50,000 as of the most recent census and both of whom have expertise and have been active in urban and community forestry.

"(B) VACANCY.—A vacancy in the Council shall be filled in the manner in which the original appointment was made.

"(C) CHAIRPERSON.—The Secretary shall select 1 member, from members appointed to the Council, who is not an officer or employee of the United States nor any State, county, city, or town government, who shall serve as the chairperson of the Council.

"(D) TERMS.—

"(i) IN GENERAL.—Except as provided in clauses (ii) and (iii) of this paragraph, members shall be appointed for terms of 3 years, and no member may serve more than 2 consecutive terms on the Council.

"(ii) STAGGERED TERMS.—Of the members first appointed—

"(I) 5, including the chairperson and 2 governmental employees, shall be appointed for a term of 3 years,

"(II) 5, including 2 governmental employees, shall be appointed for a term of 2 years, and

"(III) 5, including 2 governmental employees, shall be appointed for a term of 1 year, as designated by the Secretary at the time of appointment.

"(iii) CONTINUATION.—Any member appointed to fill a vacancy occurring before the expiration of the term of the member's predecessor shall be appointed only for the remainder of such term. A member may serve after the expiration of the member's term until the member's successor has taken office.

"(E) COMPENSATION.—

"(i) IN GENERAL.—Except as provided in clause (ii), members of the Council shall serve without pay, but may be reimbursed for reasonable costs incurred while in the actual performance of duties vested in the Council.

"(ii) FEDERAL OFFICERS AND EMPLOYEES.—Members of the Council who are full-time officers or employees of the United States shall receive no additional pay, allowances, or benefits by reason of their service on the Council.

"(iii) FINANCIAL AND ADMINISTRATIVE SUPPORT.—The Secretary shall provide financial and administrative support for the Council.

"(3) URBAN AND COMMUNITY FORESTRY ACTION PLAN.—Within 1 year after the date of enactment of this subsection and every 10 years thereafter, the Council shall prepare a National Urban and Community Forestry Action Plan. The plan shall include (but not be limited to) the following:

"(A) An assessment of the current status of urban forest resources in the United States.

"(B) A review of urban and community forestry programs and activities in the United States, including education and technical assistance activities conducted by the Department of Agriculture, and other Federal agencies, the State forestry organizations, private industry, private nonprofit organizations, community and civic organizations and interested others.

"(C) Recommendations for improving the status of the Nation's urban and community forest resources, including education and technical assistance and modifications required in existing programs and policies of relevant Federal agencies.

"(D) A review of urban and community forestry research, including—

"(i) a review of all ongoing research associated with urban and community forests, arboricultural practices, and the economic, social, and psychological benefits of trees and forest cover in urban and community environments being conducted by the Forest Service, other Federal agencies, and associated land grant colleges and universities;

"(ii) recommendations for new and expanded research efforts directed toward urban and community forestry concerns; and

"(iii) a summary of research priorities and an estimate of the funds needed to implement such research, on an annual basis, for the next 10 years.

"(E) Proposed criteria for evaluating proposed projects under the urban and community forestry challenge cost share program under subsection (e), with special emphasis given to projects that would demonstrate the benefits of improved forest management (including the maintenance and establishment of forest cover and trees) in urban areas and communities.

"(F) An estimate of the resources needed to implement the National Urban and Community Forestry Action Plan for the succeeding 10 fiscal years.

"(4) AMENDMENT OF THE PLAN.—The plan may be amended by a majority of the Council members. Such amendments shall be incorporated into the Council's annual review of the plan submitted to the Secretary pursuant to paragraph (5) of this subsection.

"(5) REVIEW OF THE PLAN.—The Council shall submit the plan to the Secretary and the Committee on Agriculture of the

House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate upon its completion. Beginning no later than one year after the plan is submitted and annually thereafter, the Council shall submit a review of the plan to the Secretary no later than December 31. The review shall consist of—

"(A) the Council's assessment of prior year accomplishments in research, education, technical assistance, and related activities in urban and community forestry;

"(B) the Council's recommendations for research, education, technical assistance, and related activities in the succeeding year; and

"(C) the Council's recommendations for the urban and community forestry challenge cost share projects to be funded during the succeeding year.

The review submitted to the Secretary shall be incorporated into the annual report required under section 3(d) of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1601(d)).

"(6) DETAIL OF PERSONNEL.—Upon request of the Council, the Secretary is authorized to detail, on a reimbursable basis, any of the personnel of the Department of Agriculture to the Council to assist the Council in carrying out its duties under this Act.

"(h) DEFINITIONS.—For the purposes of this section—

"(1) the term 'Council' means the National Urban and Community Forestry Advisory Council established under subsection (f);

"(2) the term 'plan' means the National Urban and Community Forestry Action Plan developed under subsection (f)(3); and

"(3) the term 'urban and community area' includes cities, their suburbs, and towns.

"(i) AUTHORIZATION OF APPROPRIATIONS.—There are hereby authorized to be appropriated $30,000,000 for each of the fiscal years 1991 through 1995, and such sums as may be necessary for each fiscal year thereafter, for the implementation of this section.".

(b) AMENDMENT TO RENEWABLE RESOURCES EXTENSION ACT.—

(1) PROMOTION OF PUBLIC UNDERSTANDING.—Section 3(a) of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1672(a)) is amended—

(A) by striking "and" at the end of paragraph (7);

(B) by striking the period at the end of paragraph (8) and inserting "; and"; and

(C) by adding at the end the following new paragraph:

"(9) in cooperation with State foresters or equivalent State officials, promote public understanding of the energy conservation, economic, social, environmental, and psychological values of trees and open space in urban and community area environments and expand knowledge of the ecological relationships and benefits of trees and related resources in urban and community environments.".

(2) URBAN AND COMMUNITY FORESTRY.—Section 5(a) of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1674(a)) is

amended in the final sentence by striking "for planting and management of trees and forests in urban areas," and inserting "for urban and community forestry activities,".

SEC. 1220. FIREFIGHTING PREPAREDNESS AND MOBILIZATION ASSISTANCE.

(a) ASSISTANCE TO STATE FORESTERS.—Section 10(b) of the Act (16 U.S.C. 2106(b)) (as redesignated by section 1215 of this Act) is amended—

(1) by striking "and" at the end of paragraph (2);

(2) by striking the period at the end of paragraph (3) and inserting "; and"; and

(3) by adding at the end the following:

"(4) provide financial, technical, and related assistance to State foresters or equivalent State officials, and through them to other agencies and individuals, including rural volunteer fire departments, to conduct preparedness and mobilization activities, including training, equipping, and otherwise enabling State and local firefighting agencies to respond to requests for fire suppression assistance.".

(b) APPROPRIATIONS.—Section 10(e) of the Act (16 U.S.C. 2106(e)) is amended—

(1) by striking "(e)" and inserting "(e)(1)"; and

(2) in paragraph (1) (as so redesignated), by inserting "paragraphs (1), (2), and (3) of" after "implement"; and

(3) by adding at the end thereof the following:

"(2)(A) There are hereby authorized to be appropriated annually $70,000,000 to carry out subsection (b)(4). Of the total amount appropriated to carry out subsection (b)(4)—

"(i) one-half shall be available only for State foresters or equivalent State officials, and through them to other agencies and individuals, of which not less than $100,000 shall be made available to each State; and

"(ii) one-half shall be available only for rural volunteer fire departments.

"(B) The Federal share of the cost of any activity carried out with funds made available pursuant to this paragraph may not exceed 50 percent of the cost of that activity. The non-Federal share for such activity may be in the form of cash, services, or in kind contributions.".

(c) DEFINITIONS.—Section 10 of the Act (16 U.S.C. 2106) (as amended by section 1215) is amended by adding at the end the following:

"(g) As used in this section—

"(1) the term 'rural volunteer fire department.' means any organized, not for profit, fire protection organization that provides service primarily to a community or city with a population of 10,000 or less or to a rural area, as defined by the Secretary, whose firefighting personnel is 80 percent or more volunteer, and that is recognized as a fire department by the laws of the State; and

"(2) the term 'mobilization' means any activity in which one fire fighting organization assists another that has requested assistance.".

SEC. 1221. STATEMENT OF LIMITATION.

Section 14 of the Act (16 U.S.C. 2110) (as redesignated by section 1215 of this Act) is amended to read as follows:

"SEC. 14. STATEMENT OF LIMITATION.

"This Act shall not authorize the Federal Government to regulate the use of private land or to deprive owners of land of their rights to property or to income from the sale of property, unless such property rights are voluntarily conveyed or limited by contract or other agreement. This Act does not diminish in any way the rights and responsibilities of the States and political subdivisions of States.".

SEC. 1222. FEDERAL, STATE, AND LOCAL COORDINATION AND COOPERATION.

The Act (16 U.S.C. 2101 et seq.) (as amended by section 1215 of this Act) is further amended by adding at the end thereof the following new section:

"SEC. 19. FEDERAL, STATE, AND LOCAL COORDINATION AND COOPERATION.

"(a) DEPARTMENT OF AGRICULTURE COORDINATING COMMITTEE.—

"(1) ESTABLISHMENT.—The Secretary shall establish an intradepartmental committee, to be known as the 'Forest Resource Coordinating Committee' (hereafter referred to in this section as the 'Coordinating Committee'), to coordinate forestry activities.

"(2) COMPOSITION.—The Coordinating Committee shall be composed of representatives, appointed by the Secretary, from the Agricultural Research Service, Agricultural Stabilization and Conservation Service, Extension Service, Forest Service, and Soil Conservation Service.

"(3) CHAIRPERSON.—The Secretary shall designate the Chief of the Forest Service as chairperson.

"(4) DUTIES.—The Coordinating Committee shall—

"(A) provide assistance in directing and coordinating actions of the Department of Agriculture that relate to educational, technical, and financial assistance concerning forest land to private landowners;

"(B) clarify individual agency responsibilities concerning forest land of each agency represented on the Committee; and

"(C) advise the Secretary of intradepartmental differences regarding the implementation of this Act, and any other Act related to the authority of the Secretary concerning non-Federal forest lands.

"(b) STATE COORDINATING COMMITTEES.—

"(1) ESTABLISHMENT.—

"(A) IN GENERAL.—The Secretary, in consultation with the State forester or equivalent State official of each State, shall establish a State Forest Stewardship Coordinating Committee (hereafter referred to in this section as the 'State Coordinating Committee') for each such State.

"(B) COMPOSITION.—The State Coordinating Committee shall be chaired and administered by the State Forester, or equivalent State official, or the designee thereof, and shall be composed, to the extent practicable, of—

"(i) representatives from the Forest Service, Soil Conservation Service, Agricultural Stabilization and Conservation Service, and Extension Service;

"(ii) representatives, to be appointed by the State forester or equivalent State official, representative of—

"(I) local government;

"(II) consulting foresters;

"(III) environmental organizations;

"(IV) forest products industry;

"(V) forest land owners;

"(VI) land-trust organizations, if applicable in the State;

"(VII) conservation organizations; and

"(VIII) the State fish and wildlife agency; and

"(iii) any other individuals determined appropriate by the Secretary.

"(C) TERMS.—The members of the State Coordinating Committee appointed under subparagraph (B)(ii) shall serve 3-year terms, with the initial members serving staggered terms as determined by the State forester or equivalent State official, and may be reappointed for consecutive terms.

"(D) EXISTING COMMITTEES.—Existing State forestry committees may be used to complement, formulate, or replace the State Coordinating Committees to avoid duplication of efforts if such existing committees are made up of membership that is similar to that described in subparagraph (B)(ii), and if such existing committees include landowners and the general public in their memberships.

"(2) DUTIES.—A State Coordinating Committee shall—

"(A) consult with other Department of Agriculture and State committees that address State and private forestry issues;

"(B) make recommendations to the Secretary concerning the assignment of priorities and the coordination of responsibilities for the implementation of this Act by the various Federal and State forest management agencies that take into consideration the mandates of each such agency;

"(C) make recommendations to the State Forester or equivalent State official concerning the development of a Forest Stewardship Plan under paragraph (3); and

"(D) make recommendations to the Secretary concerning those forest lands that should be given priority for inclusion in the Forest Legacy Program established pursuant to section 7.

"(3) FOREST STEWARDSHIP PLAN.—The State forester or equivalent State official of each State, in consultation with the State Coordinating Committee of such State, shall develop a Forest Stewardship Plan that shall—

"(A) provide baseline data on the forest resources of the State;

"(B) outline threats to the forest resources of the State;

"(C) describe economic and environmental opportunities that are linked with the forest resources of the State;

"(D) address management problems, opportunities, and objectives associated with intermingled Federal, State, and private land ownership patterns within the State; and

"(E) make planning recommendations for Federal, State, and local implementation of this Act.

"(4) OTHER PLANS.—Other State forest management plans may be used as the basis for or in lieu of establishing a plan for the State under paragraph (3) if such plans fully conform to the objectives of this section.

"(5) TERMINATION.—The State Coordinating Committees shall not terminate.

"(6) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to compel action by any State official.".

SEC. 1223. ADMINISTRATION.

The Act (16 U.S.C. 2101 et seq.) (as amended by section 1222 of this Act) is further amended by adding at the end thereof the following new section:

"SEC. 20. ADMINISTRATION.

"(a) IN GENERAL.—The Secretary shall administer this Act in accordance with regulations that the Secretary shall develop.

"(b) GUIDELINES.—The regulations promulgated under this Act shall include guidelines for the administration of this Act at the Federal and State levels and shall identify the measures and activities that are eligible for cost sharing under this Act.

"(c) EXISTING MECHANISMS.—Existing mechanisms shall be used to the extent possible to make payments and deliver services to the landowner under this Act.

"(d) LAND GRANT UNIVERSITIES.—The Secretary, in consultation with State foresters or equivalent State officials, may provide assistance directly to other State and local natural resource management agencies and land grant universities in implementing this Act in cases in which the State foresters or equivalent State officials are not able to make fund transfers to other State and local agencies.".

SEC. 1224. CONFORMING AMENDMENTS.

The Act is amended—

(1) in subsections (d) and (f) of section 4 (16 U.S.C. 2103 (d) and (f)), by striking "10(c)" each place that such occurs and inserting "13(c)";

(2) in section 12(f) (as redesignated by section 1215 of this Act) (16 U.S.C. 2108(f)) by striking "13" in subsection (f) and inserting "16"; and

(3) in section 13(g) (as redesignated by section 1215 of this Act) (16 U.S.C. 2109(g)), by striking "13" and inserting "16".

Subtitle B—Research and Education

CHAPTER 1—GENERAL RESEARCH PROGRAMS

SEC. 1231. MCINTIRE-STENNIS RESEARCH PROGRAM.

It is the sense of Congress to reaffirm the importance of Public Law 87–788 (16 U.S.C. 582a et seq.) commonly known as the McIntire-Stennis Cooperative Forestry Act.

SEC. 1232. COMPETITIVE FORESTRY, NATURAL RESOURCES, AND ENVIRONMENTAL GRANTS PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Agriculture (hereafter referred to in this section as the "Secretary") shall establish a competitive forestry, natural resources, and environmental grant program to award grants for the conduct of research as described in subsection (c).

(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant under subsection (a), an entity shall—

(1) be a State agricultural experiment station, a college or university, a research institution or organization, a Federal agency, a private organization, or a corporation that has a demonstrable capacity to conduct forestry, natural resources, and environmental research as determined by the Secretary; and

(2) prepare and submit to the Secretary, an application at such time, in such manner, and containing such information as the Secretary shall require, including the proposed use of the amounts that may be received under a grant.

(c) USE.—In awarding the initial grants under subsection (a) the Secretary shall give priority to applicants who will use such grants for research concerning—

(1) the biology of forest organisms, including physiology, genetic mechanisms, and biotechnology;

(2) ecosystem function and management, including forest ecosystem research, biodiversity, forest productivity, pest management, water resources, and alternative silvicultural systems;

(3) wood as a raw material, including forest products and harvesting;

(4) human forest interactions, including outdoor recreation, public policy formulation, economics, sociology, and administrative behavior;

(5) international trade, competition, and cooperation related to forest products;

(6) alternative native crops, products, and services that can be produced from renewable natural resources associated with privately held forest lands;

(7) viable economic production and marketing systems for alternative natural resource products and services;

(8) economic and environmental benefits of various conservation practices on forest lands;

(9) genetic tree improvement; and

(10) market expansion.

(d) FACILITIES AND EQUIPMENT.—

(1) AUTHORITY.—Grants made under this section may be used to update research facilities and equipment available to facilitate the conduct of state-of-the-art research in forestry, natural resources, and the environment.

(2) PRIORITIES AND CRITERIA.—The Secretary, in consultation with the Cooperative Forestry Research Council appointed under section 5(b) of Public Law 87-788 (16 U.S.C. 582e(b)), may develop criteria and priorities for the awarding of grants for use under paragraph (1).

(e) RECOMMENDATIONS.—The Secretary shall request the Cooperative Forestry Research Council referred to in subsection (d)(2) to provide recommendations regarding grant priorities.

(f) TERM.—The Secretary may make grants under this section for periods of not to exceed 5 years.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

CHAPTER 2—SPECIALIZED RESEARCH

SEC. 1241. RESEARCH AND UTILIZATION.

(a) REFORESTATION RESEARCH; APPROPRIATIONS; PRIVATE FORESTRY.—Section 3 of the Forest and Rangeland Renewable Resources Research Act of 1978 (16 U.S.C. 1642) is amended—

(1) in subsection (a)(1) by inserting after "energy conservation, and other purposes" the following: ", including activities for encouraging improved reforestation of forest lands from which timber has been harvested";

(2) in subsection (b) by—

(A) inserting "(1)" immediately prior to the words "To ensure the availability,"; and

(B) adding at the end the following:

"(2) In implementing this subsection, the Secretary is authorized to develop and implement improved methods of survey and analysis of forest inventory information, for which purposes there are hereby authorized to be appropriated annually $10,000,000."; and

(3) by adding at the end the following:

"(d) The Secretary is authorized to conduct, support, and cooperate in studies and other activities the Secretary deems necessary to—

"(1) evaluate renewable resource management problems associated with urban-forest interface;

"(2) assess effects of changes in Federal revenue codes on private forest management and investment; and

"(3) develop improved delivery systems for information and technical assistance provided to private landowners.".

(b) RECYCLING RESEARCH.—Section 9 of the Forest and Rangeland Renewable Resources Research Act of 1978 (16 U.S.C. 1641 et seq.) is amended to read as follows:

"SEC. 9. RECYCLING RESEARCH.

"(a) FINDINGS.—Congress finds that—

"(1) the United States is amassing vast amounts of solid wastes, which is presenting an increasing problem for municipalities in locating suitable disposal sites;

"(2) a large proportion of these wastes consists of paper and other wood wastes;

"(3) less than one-third of these paper and wood wastes are recycled;

"(4) additional recycling would result in reduced solid waste landfill disposal and would contribute to a reduced rate of removal of standing timber from forest lands; and

"(5) additional research is needed to develop technological advances to address barriers to increased recycling of paper and

wood wastes and utilization of products consisting of recycled materials.

"(b) Recycling Research Program.—The Secretary is authorized to conduct, support, and cooperate in an expanded wood fiber recycling research program, including the acquisition of necessary equipment. The Secretary shall seek to ensure that the program includes the cooperation and support of private industry and that program goals include the application of such research to industry and consumer needs.

"(c) Authorization of Appropriations.—In addition to any other funds made available to implement section 3 of this Act, for the 5-year period beginning on October 1, 1990, there are authorized to be appropriated annually $10,000,000 to implement this section.".

(c) Modern Timber Bridge Initiative.—

(1) In general.—The Secretary of Agriculture is authorized to continue the Modern Timber Bridge Initiative to provide Federal funds, on a cost share basis as determined by the Secretary, for the construction of demonstration bridges, modern bridge technology transfer projects, and conferences.

(2) Appropriations.—There are hereby authorized to be appropriated annually $5,000,000 to carry out this subsection.

(d) Forestry Research Needs Assessments.—Within 6 months after the date of enactment of this Act, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that responds to the recommendations contained in the report of the National Research Council entitled "Forestry Research: A Mandate for Change". The report shall include—

(1) an assessment of the capability of current forestry research programs to address research areas specified in the report, including research on ecosystem functions and management;

(2) an evaluation of alternatives to current organizational frameworks for providing guidance to forestry research programs and establishing research priorities, including the establishment of a National Forestry Research Council; and

(3) recommendations for changes in current forestry research programs, including levels of research funding, that may be needed to address existing deficiencies.

SEC. 1242. SOUTHERN FOREST REGENERATION PROGRAM.

(a) Establishment.—The Secretary of Agriculture shall make a grant to a State for the establishment, within such State, of a center, to be known as the "Southern Forest Regeneration Center" (hereafter referred to in this section as the "Center"), to study forest regeneration problems and forest productivity in the southern region of the United States.

(b) Duties of Center.—The Center shall study forest regeneration problems and forest productivity in the southern region of the United States, including—

(1) nursery management concerns that will lead to improved seedling quality;

(2) forest management practices that account for environmental stresses; and

(3) the development of low-cost forest regeneration methods that provide options for wood products, species diversity, wildlife habitat, and production of clean air and water.

(c) ESTABLISHMENT OF OTHER PROGRAMS.—The Secretary of Agriculture may establish other programs in other regions of the United States, or a comprehensive National program, to carry out the purposes of this section as the Secretary determines appropriate.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

SEC. 1243. SEMIARID AGROFORESTRY RESEARCH CENTER.

(a) SEMIARID AGROFORESTRY RESEARCH, DEVELOPMENT, AND DEMONSTRATION CENTER.—The Secretary of Agriculture shall establish at the Forestry Sciences Laboratory of the United States Forest Service, in Lincoln, Nebraska, a Semiarid Agroforestry Research, Development, and Demonstration Center (hereafter referred to in this section as the "Center") and appoint a Director to manage and coordinate the program established at the Center under subsection (b).

(b) PROGRAM.—The Secretary shall establish a program at the Center and seek the participation of Federal or State governmental entities, land-grant colleges or universities, State agricultural experiment stations, State and private foresters, the National Arbor Day Foundation, and other nonprofit foundations in such program to conduct or assist research, investigations, studies, and surveys to—

(1) develop sustainable agroforestry systems on semiarid lands that minimize topsoil loss and water contamination and stabilize or enhance crop productivity;

(2) adapt, demonstrate, document, and model the effectiveness of agroforestry systems under different farming systems and soil or climate conditions;

(3) develop dual use agroforestry systems compatible with paragraphs (1) and (2) which would provide high-value forestry products for commercial sale from semiarid land;

(4) develop and improve the drought and pest resistance characteristics of trees for conservation forestry and agroforestry applications in semiarid regions, including the introduction and breeding of trees suited for the Great Plains region of the United States;

(5) develop technology transfer programs that increase farmer and public acceptance of sustainable agroforestry systems;

(6) develop improved windbreak and shelterbelt technologies for drought preparedness, soil and water conservation, environmental quality, and biological diversity on semiarid lands;

(7) develop technical and economic concepts for sustainable agroforestry on semiarid lands, including the conduct of economic analyses of the costs and benefits of agroforestry systems and the development of models to predict the economic benefits under soil or climate conditions;

(8) provide international leadership in the development and exchange of agroforestry practices on semiarid lands worldwide;

(9) support research on the effects of agroforestry systems on semiarid lands in mitigating nonpoint source water pollution;

(10) support research on the design, establishment, and maintenance of tree and shrub plantings to regulate the deposition of snow along roadways; and

(11) conduct sociological, demographic, and economic studies as needed to develop strategies for increasing the use of forestry conservation and agroforestry practices.

(c) INFORMATION COLLECTION AND DISSEMINATION.—The Secretary shall establish at the Center a program, to be known as the National Clearinghouse on Agroforestry Conservation and Promotion to—

(1) collect, analyze, and disseminate information on agroforestry conservation technologies and practices; and

(2) promote the use of such information by landowners and those organizations associated with forestry and tree promotion.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $5,000,000 annually to carry out this section.

SEC. 1244. FOREST LAND PROTECTION.

(a) NORTHERN FOREST LANDS.—In furtherance of Public Law 100-446, the Secretary of Agriculture (hereafter in this section referred to as the "Secretary") is authorized to continue support for the study of changing land ownership and management patterns in the northern forest lands of Maine, New Hampshire, Vermont, and New York.

(b) NEW YORK-NEW JERSEY HIGHLANDS.—

(1) IN GENERAL.—The Secretary is authorized to conduct a study of the region known as the New York-New Jersey Highlands, located in the States of New York, New Jersey, and Pennsylvania, including the Sterling Forest in Orange County, New York.

(2) SCOPE OF STUDY.—The study authorized under this subsection (hereafter in this subsection referred to as the "study") shall include an identification and assessment of—

(A) the physiographic boundaries of the region referred to in this subsection (hereafter in this subsection referred to as the "region");

(B) forest resources of the region, including (but not limited to) timber and other forest products, fish and wildlife, lakes and rivers, and recreation;

(C) historical land ownership patterns in the region and projected future land ownership, management, and use, including future recreational demands and deficits and the potential economic benefits of recreation to the region;

(D) the likely impacts of changes in land and resource ownership, management, and use on traditional land use patterns in the region, including economic stability and employment, public use of private lands, natural integrity, and local culture and quality of life; and

(E) alternative conservation strategies to protect the long-term integrity and traditional uses of lands within the region.

(3) ALTERNATIVE CONSERVATION STRATEGIES.—The alternative conservation strategies referred to in paragraph (2)(E) shall include a consideration of—

(A) sustained flow of renewable resources in a combination that will meet the present and future needs of society;

(B) public access for recreation;

(C) protection of fish and wildlife habitat;

(D) preservation of biological diversity and critical natural areas; and

(E) new local, State, or Federal designations.

(4) PUBLIC PARTICIPATION.—In conducting the study, the Secretary shall provide an opportunity for public participation.

(5) APPROPRIATIONS.—There are hereby authorized to be appropriated $250,000 to carry out this subsection.

SEC. 1245. PRESIDENTIAL COMMISSION ON STATE AND PRIVATE FORESTS.

(a) ESTABLISHMENT.—The President shall establish a Commission on State and Private Forests (hereafter in this section referred to as the "Commission") which shall assess the status of the State and private forest lands of the United States, the problems affecting these lands, and the potential contribution of these lands to the renewable natural resource needs of the United States associated with their improved management and protection.

(b) COMPOSITION.—The Commission shall be composed of 25 members to be appointed by the President, including Federal, State, and local officials, timber industry representatives, nonindustrial private forest landowners, conservationists, and community leaders. No more than five members shall be appointed from any one State. Not fewer than 20 members shall be appointed by the President from nominations submitted by the following Members of Congress:

(1) The chairman of the Committee on Agriculture of the House of Representatives.

(2) The ranking minority member of the Committee on Agriculture of the House of Representatives.

(3) The chairman of the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(4) The ranking minority member of the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(c) VACANCY.—A vacancy on the Commission shall be filled by appointment by the President in the manner provided in subsection (b).

(d) CHAIRPERSON.—The Commission shall elect a chairperson from among the members of the Commission by a majority vote.

(e) MEETINGS.—The Commission shall meet at the call of the chairperson or a majority of the members of the Commission.

(f) DUTIES.—

(1) STUDY.—The Commission shall conduct a study that shall include—

(A) an assessment using existing inventories of the current status of the State and private forest lands of the United States, including—

(i) ownership status and past and future trends;

(ii) the production of timber and nontimber resources from such lands; and

(iii) landowner attitudes toward the protection and management of these lands;

(B) a review of the problems affecting the State and private forest lands of the United States, including—

(i) resource losses to insects, disease, fire, and damaging weather;

(ii) inadequate reforestation;

(iii) fragmentation and conversion of the forest land base; and

(iv) management options;

(C) constraints on, and opportunities for, providing multiresource outputs from forest lands;

(D) administrative and legislative recommendations for addressing the problems and capitalizing on the potential of these lands for contributing to the renewable natural resource needs of the United States.

(2) FINDINGS AND RECOMMENDATIONS.—On the basis of its study, the Commission shall make findings and develop recommendations for consideration by the President with respect to the future demands placed on State and private forests in meeting both commodity and noncommodity needs of the United States in anticipation of impending changes in the management of the national forests, especially with regard to timber harvest. This assessment should focus on the role of State and private forest lands and help to identify means of improving their contribution to meeting the timber and nontimber needs of the United States.

(3) REPORT.—The Commission shall submit to the President, not later than December 1, 1992, a report containing its findings and recommendations. The President shall submit the report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, and the report is authorized to be printed as a House Document.

(g) OPERATIONS IN GENERAL.—

(1) AGENCY COOPERATION.—The heads of executive agencies, the General Accounting Office, the Office of Technology Assessment, and the Congressional Budget Office shall cooperate with the Commission.

(2) COMPENSATION.—Members of the Commission shall serve without compensation for work on the Commission. While away from their homes or regular places of business in the performance of duties of the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law for persons serving intermittently in the Government service under section 5703 of title 5 of the United States Code.

(3) DIRECTOR.—To the extent there are sufficient funds available to the Commission and subject to such rules as may be adopted by the Commission, the Commission, without regard to the provisions of title 5 of the United States Code governing appointments in the competitive service and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to the classification and General Schedule pay rates, may—

(A) appoint and fix the compensation of a director; and

(B) appoint and fix the compensation of such additional personnel as the Commission determines necessary to assist it to carry out its duties and functions.

(4) STAFF AND SERVICES.—On the request of the Commission, the heads of executive agencies, the Comptroller General, and the Director of the Office Technology Assessment may furnish the Commission with such office, personnel or support services as the head of the agency, or office, and the chairperson of the Commission agree are necessary to assist the Commission to carry out its duties and functions. The Commission shall not be required to pay, or reimburse, any agency for office, personnel or support services provided by this subsection.

(5) EXEMPTIONS.—

(A) FACA.—The Commission shall be exempt from sections 7(d), 10(e), 10(f), and 14 of the Federal Advisory Committee Act (5 U.S.C. App. 2, 1 et seq.).

(B) TITLE 5.—The Commission shall be exempt from the requirements of sections 4301 through 4305 of title 5 of the United States Code.

(h) AUTHORIZATION OF APPROPRIATIONS AND SPENDING AUTHORITY.—

(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sums as are necessary to implement this section.

(2) SPENDING AUTHORITY.—Any spending authority (as defined in section 401 of the Congressional Budget Act of 1974) provided in this title shall be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

(i) TERMINATION.—The Presidential Commission on State and Private Forests shall cease to exist 90 days following the submission of its report to the President.

SEC. 1246. BLUE MOUNTAIN NATURAL RESOURCE INSTITUTE.

(a) FINDINGS.—The Congress finds that—

(1) the forests and rangelands in the States of Washington and Oregon east of the Cascade Crest do not yield their productive capacity of multiple products, services and benefits, yet these forests and rangelands are expected to yield more;

(2) these forests are among the most insect infested and disease infected in North America due to previous management practices, including the exclusion of fire and past management treatments, which have allowed these forests to become overstocked or to succeed to pest-susceptible forest types;

(3) forage productivity of these forests and rangelands is reduced due to the spread of nonactive grasses, juniper, and noxious weeds;

(4) the unprecedented build-up of fuel loads in these forests places them under continual threat of catastrophic fire;

(5) losses due to insects, disease, and fire and reduced productivity of these forests and rangelands have far reaching environmental and economic consequences to local communities and a region entirely dependent on land-based resources; and

(6) concerns over global climate change, water quality and quantity, air quality, fish and wildlife habitat, biodiversity, long-term forest and rangeland health and productivity, welfare of resource-dependent communities and regional economies, cat-

astrophic fire, and scenic quality of landscapes set the dimensions of multifaceted resources issued which are straining the effectiveness of policy makers and land managers.

(b) ESTABLISHMENT OF RESEARCH AND DEMONSTRATION PROGRAM.—The Secretary of Agriculture shall establish, plan, and initiate a research, development, and application program for the forests and rangelands of the States of Oregon and Washington located east of the Cascade Crest which shall address research, development, and application needs of the Blue Mountain area in Washington and Oregon. The program, through research, technology development and application, and public involvement, shall—

(1) compile and develop basic biological and ecological information to improve forest and rangeland health and vigor;

(2) focus research on joint management and production of timber, wildlife, grazing, fish, water quality, and recreation;

(3) stimulate cooperative research between universities and Federal and State agencies;

(4) identify and evaluate opportunities to enhance the long-term economic and social benefits derived from the region's forest and rangeland resources in concert with county and regional economic strategies;

(5) convert results of research into technology development products and apply new information in a timely manner;

(6) develop technology to guide intensive multiresource management and policy decisions for sustaining long-term productivity and ecological values into the early decades of the 21st century;

(7) develop new technologies that will enable forest and range managers to maximize multiresource benefits and minimize the hazards of fire, insect, and disease outbreaks;

(8) develop forest management practices for use by land managers and landowners that are appropriate at the wildland-urban interface and in concert with public values for these areas;

(9) demonstrate the application of technology and resource knowledge on specific management areas; and

(10) establish mutually beneficial relations with the public to inform them regarding research and technology development and new management directions and to obtain feedback.

(c) PARTNERSHIP.—The Secretary of Agriculture shall establish and carry out the program under subsection (b) in consultation and cooperation with Federal, State, and local agencies, universities, and the private sector. In addition, the Secretary of Agriculture shall establish an advisory committee representing broad interests and perspectives to assist in the formulation of plans for implementing the program.

SEC. 1247. INTERNATIONAL FOREST PRODUCTS TRADE INSTITUTE.

(a) ESTABLISHMENT.—The Secretary of Agriculture may establish an International Forest Products Trade Institute (hereafter in this section referred to in this section as the "Institute").

(b) MISSION.—The mission of the Institute will be to increase the competitive position of the forest industries of the northeastern United States as major producers of international forest products in

order to increase domestic employment and stimulate rural development, and to provide a knowledgeable, objective analysis of global forest resource problems.

(c) FUNCTIONS.—The Institute shall—

(1) emphasize the application of existing knowledge to the manufacturing and international marketing of forest products as well as conduct new research related to the competitiveness of the northeastern forest products industry;

(2) study and evaluate domestic and international forest, forest sector, agroforestry, development, economic, and trade policies;

(3) design, analyze and test technologically appropriate manufacturing, processing and marketing systems which are supportive of and consistent with forest policy and management strategies formulated by the Institute and which enhance opportunities for markets in forest products; and

(4) formulate and test management strategies for—

(A) United States forests, and

(B) manufacturing facilities that promote ecologically sustainable use, and long-term management, of international forests.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

CHAPTER 3—EDUCATION

SEC. 1251. EXTENSION.

(a) EXPANSION OF PROGRAMS.—The Renewable Resources Extension Act of 1978 (16 U.S.C. 1671 et seq.) is amended by inserting after section 5 the following new section:

"SEC. 5A. EXPANDED PROGRAMS.

"(a) IN GENERAL.—The Secretary, acting through the Extension Service and the State cooperative extension services, and in consultation with State foresters or equivalent State officials, school boards, and universities, shall expand forestry and natural resources education programs conducted under this Act for private forest owners and managers, public officials, youth, and the general public, and shall include guidelines for the transfer of technology.

"(b) ACTIVITIES.—

"(1) IN GENERAL.—In expanding the programs conducted under this Act, the Secretary shall ensure that activities are undertaken to promote policies and practices that enhance the health, vitality, productivity, economic value, and environmental attributes of the forest lands of the United States.

"(2) TYPES.—The activities referred to in paragraph (1) shall include—

"(A) demonstrating and teaching landowners and forest managers the concepts of multiple-use and sustainable natural resource management;

"(B) conducting comprehensive environmental education programs that assist citizens to participate in environmentally positive activities such as tree planting, recycling, erosion prevention, and waste management; and

"(C) educational programs and materials that will improve the capacity of schools, local governments and resource agencies to deliver forestry and natural resources information to young people, environmentally concerned citizens, and action groups.".

(b) PROGRAM AUTHORIZATIONS.—Section 3(a) of such Act (16 U.S.C. 1672(a)) is amended—

(1) in paragraph (7), by striking "and" at the end thereof;

(2) in paragraph (8), by striking the period and inserting "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(9) conduct a comprehensive natural resource and environmental education program for landowners and managers, public officials, and the public, with particular emphasis on youth.".

(c) EXTENSION PROGRAM PLAN.—Section 5(a) of such Act (16 U.S.C. 1674(a)) is amended by inserting before the period at the end thereof the following: ", and give special attention to water quality protection and natural resource and environmental education for landowners and managers, public officials, and the public".

SEC. 1252. FORESTRY STUDENT GRANT PROGRAM.

The Forest and Rangeland Renewable Resources Research Act of 1978 (16 U.S.C. 1641 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 10. FORESTRY STUDENT GRANT PROGRAM.

"(a) ESTABLISHMENT.—The Secretary shall establish a program, to be known as the 'Forestry Student Grant Program' (hereafter referred to in this section as the 'Program'), to provide assistance to expand the professional education of forestry, natural resources, and environmental scientists.

"(b) STUDENT GRANTS.—Under the Program the Secretary shall provide assistance for the establishment of a competitive grant fellowship program to assist graduate, and undergraduate minority and female, students attending institutions having programs in forestry and natural resources.

"(c) ELIGIBILITY.—The Secretary shall ensure that students concentrating in the following studies shall be eligible for assistance under subsection (b):

"(1) Forestry.

"(2) Biology and forest organisms.

"(3) Ecosystem function and management.

"(4) Human-forest interaction.

"(5) International trade, competition, and cooperation.

"(6) Wood as a raw material.

"(7) Economics and policy.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.".

Subtitle C—America the Beautiful

SEC. 1261. SHORT TITLE.

This subtitle may be cited as the "America the Beautiful Act of 1990".

SEC. 1262. FINDINGS.

Congress finds that—

(1) trees and forests provide beauty and diversity to both rural and urban landscapes;

(2) trees and forests protect the United States's soil, water, and wetland resources by filtering runoff and preventing erosion;

(3) trees and forests provide food and cover for many species of wildlife;

(4) trees and forests provide shade, block winds, and add moisture to the air, thereby mitigating the urban "heat island" effect and significantly reducing energy use;

(5) trees and forests make important contributions to the environmental, social, and economic well-being of both rural and urban areas across the United States; and

(6) stewardship of trees and forests could be significantly enhanced by encouraging, promoting, and supporting partnerships and community service projects involving individuals, youth groups, organizations, businesses and governments at all levels.

SEC. 1263. PURPOSES.

The purposes of this subtitle are to—

(1) authorize the President to designate a private nonprofit foundation as eligible for a one-time grant from the Secretary of Agriculture, to be used for promoting public awareness and a spirit of volunteerism, soliciting private sector contributions, and overseeing the use of these contributions to encourage tree planting projects in communities and urban areas;

(2) promote the principles of basic forest stewardship through the nationwide planting, improvement, and maintenance of trees in order to increase reforestation, enhance the environmental and aesthetic qualities of the United States's rural and urban areas, and reduce global carbon dioxide levels;

(3) authorize the Secretary of Agriculture to provide increased financial and technical assistance to State forestry agencies and others, and enter into cost-sharing agreements with individuals, for the purpose of encouraging owners of nonindustrial private lands to plant and maintain trees and improve forests in rural areas; and

(4) authorize the Secretary of Agriculture to provide increased financial and technical assistance to State forestry agencies and others for the purpose of encouraging units of local government, civic groups, and individuals to plant and maintain trees and improve forests in communities and urban areas.

SEC. 1264. TREE PLANTING FOUNDATION.

(a) PURPOSE.—The purpose of this section is to authorize the President to designate a private nonprofit Foundation as eligible to receive a grant from the Department of Agriculture to be used—

(1) to provide grants, including matching grants, to qualifying nonprofit organizations (including youth groups), municipalities, counties, towns and townships for the implementation of programs to promote public awareness and a spirit of volunteerism in support of tree planting, maintenance, management, protection, and cultivation projects in rural areas, communities and urban areas throughout the United States;

(2) to solicit public and private sector contributions through the mobilization of individuals, businesses, governments, and community organizations with the goal of increasing the number of trees planted, maintained, managed, and protected in rural areas, communities and urban environments;

(3) to accept and administer public and private gifts and make grants, including matching grants, to encourage local participation, for the planting, maintenance, management, protection, and cultivation of trees; and

(4) to ensure that our descendants will be able to share their ancestors' pride when referring to their land as "America the Beautiful".

(b) AUTHORITY.—The President is authorized to designate a private nonprofit organization (hereafter in this section referred to as the "Foundation") as eligible to receive funds pursuant to subsections (d) and (e) upon determining that such organization can, consistent with its charter, carry out the purposes stated in subsection (a), and that the officers of such organization have the experience and expertise necessary to direct the activities of the organization. Nothing in this section shall be construed to make officers, employees, or members of the board of directors of the Foundation officers or employees of the United States. The Foundation shall be a private and nonprofit organization and not an agency or establishment of the United States.

(c) IMPLEMENTATION.—The Foundation shall carry out this section in accordance with the purposes stated in subsection (a).

(d) FUNDING.—For fiscal year 1991, the Secretary is authorized to make a grant of not to exceed $25,000,000 to the Foundation.

(e) USE OF FUNDS.—Funds made available pursuant to subsection (d) shall be granted to the Foundation by the Secretary to enable the Foundation to carry out the purposes specified in subsection (a).

(f) INTEREST.—Notwithstanding any other provision of law, the Foundation may hold funds made available pursuant to subsection (e) in interest-bearing accounts prior to the disbursement of the funds for purposes specified in subsection (a) and may retain to carry out such purposes any interest earned on the deposits.

(g) LIMITATIONS ON USES OF FUNDS.—

(1) IN GENERAL.—The Foundation may use funds provided by this section only for making grants to qualified organizations, municipalities, counties, towns and townships for the implementation of projects and activities that are consistent with the purposes specified in subsection (a).

(2) QUALIFIED ORGANIZATIONS.—For the purposes of this section, qualified organizations shall consist of those organizations that meet the requirements of section 501(c)(3) of the Internal Revenue Code of 1986 (26 U.S.C. 501(c)(3)) and have demonstrat-

ed a capability to implement the project or activity for which the Foundation funds will be used.

(h) COMPENSATION FROM OUTSIDE SOURCES.—*An officer or employee of the Foundation may not receive any salary or other compensation for services rendered to the Foundation from any source other than the Foundation.*

(i) STOCK AND DIVIDENDS.—*The Foundation shall not issue any shares of stock or declare or pay any dividends.*

(j) LOBBYING.—*The Foundation shall not engage in lobbying or propaganda for the purpose of influencing legislation and shall not participate or intervene in any political campaign on behalf of any candidate for public office.*

(k) SALARY; TRAVEL AND EXPENSES; CONFLICTS OF INTEREST.—

(1) PERSONAL BENEFIT FROM FUNDS.—*No part of the funds of the Foundation shall inure to the benefit of any board member, officer, or employee of the Foundation, except as salary or reasonable compensation for services or expenses.*

(2) TRAVEL AND EXPENSE REIMBURSEMENT.—*Compensation for board members shall be limited to reimbursement for reasonable costs of travel and expenses.*

(3) CONFLICTS OF INTEREST.—*No director, officer, or employee of the Foundation shall participate, directly or indirectly, in the consideration or determination of any question before the Foundation affecting—*

(A) the financial interests of the director, officer, or employee; or

(B) the interests of any corporation, partnership, entity, or organization in which such director, officer, or employee—

(i) is an officer, director, or trustee; or

(ii) has any direct or indirect financial interest.

(l) RECORDS; AUDITS.—*The Foundation shall ensure that—*

(1) each recipient of assistance provided through the Foundation under this section maintains, for at least 5 years after the receipt of the assistance, separate accounts with respect to the assistance and such records as may be reasonably necessary to disclose fully—

(A) the amount and the disposition by the recipient of the proceeds of the assistance;

(B) the total cost of the project or undertaking in connection with which the assistance is given or used;

(C) the amount and nature of that portion of the cost of the project or undertaking supplied by other sources; and

(D) such other records as will facilitate an effective audit; and

(2) the Foundation and any duly authorized representative of the Foundation shall have access, for the purpose of audit and examination, to any books, documents, papers, and records of the recipient that are pertinent to assistance provided through the Foundation under this section.

(m) AUDITS.—

(1) INDEPENDENT AUDITS.—*For the fiscal year in which the Foundation receives the grant awarded under subsection (e), and for the succeeding 5 fiscal years, the accounts of the Foundation shall be audited annually in accordance with generally*

accepted auditing standards by an independent certified public accountant or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The report of each such independent audit shall be included in the annual report required by subsection (n).

(2) AGENCY AUDITS.—For the fiscal year in which the Foundation receives the grant awarded under subsection (d), and for the succeeding 5 fiscal years, the financial transactions undertaken pursuant to this section by the Foundation may be audited by any agency designated by the President.

(n) ANNUAL REPORTS.—

(1) IN GENERAL.—Not later than 3 months after the conclusion of each fiscal year, the Foundation shall publish an annual report that includes a comprehensive and detailed report of the operations, activities, financial condition, and accomplishments of the Foundation under this Act during the fiscal year.

(2) TERMINATION.—The obligation of the Foundation to publish annual reports pursuant to this subsection shall terminate after publication of the report incorporating the findings of the final audit in accordance with procedures required by subsection (l).

(o) PROHIBITION ON COMMERCIAL HARVEST.—Trees planted pursuant to a program receiving funds under this section may not be commercially harvested and sold for Christmas trees.

(p) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $25,000,000 to be granted by the Secretary of Agriculture to the Foundation. All funds appropriated under this section may remain available until expended.

SEC. 1265. RURAL TREE PLANTING AND FOREST MANAGEMENT PROGRAM.

The Secretary of Agriculture is authorized to establish a rural tree planting and forest management program as a special component of the forest stewardship program and the stewardship incentive program established under sections 5 and 6 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2102) (as amended by subtitle A). Such program shall terminate on December 31, 2001.

SEC. 1266. COMMUNITY TREE PLANTING AND IMPROVEMENT PROGRAM.

The Secretary of Agriculture is authorized to establish a community tree planting and improvement program as a special component of the urban and community forestry assistance program established under section 9 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2105) (as amended by section 1219). Such program shall terminate on December 31, 2001.

Subtitle D—Miscellaneous Provisions

SEC. 1271. EMERGENCY REFORESTATION ASSISTANCE.

(a) IN GENERAL.—The Secretary of Agriculture is authorized to provide assistance under this section to eligible landowners who suffer destruction of 35 percent or more of a commercial tree stand due to damaging weather, related condition, or wildfire.

(b) Form of Assistance.—The assistance, if any, provided by the Secretary under this section shall consist of either—

(1) reimbursement of up to 65 percent of the cost of reestablishing such tree stand damaged by the damaging weather, related condition, or wildfire in excess of 35 percent mortality; or

(2) at the discretion of the Secretary, provision of sufficient tree seedlings to reestablish such tree stand.

(c) Conditions.—

(1) Limitation on assistance.—No person may receive an amount in excess of $25,000 in any fiscal year, or an equivalent value in tree seedlings, under this section.

(2) Ineligibility.—A person who has qualifying gross revenues in excess of $2,000,000 annually, as determined by the Secretary, shall not be eligible to receive any disaster payment or other benefits under this section.

(3) Implementation.—In implementing this section, the Secretary shall issue regulations—

(A) defining the term "person" for the purposes of this section that shall conform, to the extent practicable, to the regulations defining the term "person" issued under section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308);

(B) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitations established under this subsection; and

(C) ensuring that no person receives duplicative payments or assistance under this section, the Cooperative Forestry Assistance Act of 1978, and the Agricultural Conservation Program established under section 16(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h, 590l, or 590p), or other Federal program.

(d) Definitions.—As used in this section—

(1) the term "damaging weather" includes drought, hail, excessive moisture, freeze, tornado, hurricane, excessive wind, or any combination thereof;

(2) the term "eligible landowner" means a person who—

(A) produces annual crops from trees for commercial purposes and owns 500 acres or less of such trees;

(B) owns 1,000 acres or less of private forest land; or

(C) owns more than 1,000 acres but less than 5,000 acres of private forest land if the Secretary, in the Secretary's discretion, determines the person eligible;

(3) the term "qualifying gross revenues" means—

(A) if a majority of the person's annual income is received from farming, ranching, and forestry operations, the gross revenue from the person's farming, ranching, and forestry operations; and

(B) if less than a majority of the person's annual income is received from farming, ranching, and forestry operations, the person's gross revenue from all sources;

(4) the term "related condition" includes insect infestations, disease, or other deterioration of a tree stand that is accelerated or exacerbated by damaging weather;

(5) the term "reestablish" includes site preparation, reforestation of a damaged stand, and timber stand improvement prac-

tices, including thinning, prescribed burning, and other practices approved by the Secretary for reforestation;

(6) the term "Secretary" means the Secretary of Agriculture; and

(7) the term "wildfire" means any forest or range fire.

(e) RETROACTIVE ASSISTANCE.—*The Secretary shall use funds provided under this section to reimburse landowners for approved reforestation practices that were implemented before the date of enactment of this section. The Secretary shall not make reimbursements for reforestation practices that were implemented prior to September 1, 1989.*

SEC. 1272. TALLADEGA NATIONAL FOREST EXPANSION.

The boundaries of the Talladega National Forest are hereby modified to include all lands depicted on a map entitled "Talladega Forest Expansion" and dated October 1990, which shall be on file and available for public inspection in the Office of the Chief of the Forest Service, Washington, District of Columbia. Within the area delineated on such map, the Secretary shall utilize his authorities under the Act of March 1, 1911 (Chapter 186, 36 Stat. 961), to acquire lands, waters, and interests therein. Lands so acquired shall be managed under such Act for National Forest purposes. It is the intent of the Congress that, to the extent practicable, private lands be acquired on a willing seller basis without undue delay.

TITLE XIII—FRUITS, VEGETABLES, AND MARKETING

Subtitle A—Fruits and Vegetables

SEC. 1301. FINDINGS.

Congress finds that—

(1) fruits, vegetables, and specialty crops are a vital and important source of nutrition for the general health and welfare of the people of the United States; and

(2) fruits and vegetables are recommended as an essential part of a healthy, nutritious diet by numerous health officials and organizations including the Surgeon General of the United States; the National Institutes of Health; the National Cancer Institute; the American Heart Association; the Committee on Diet, Nutrition and Cancer of the National Academy of Sciences; the Department of Agriculture; and the Department of Health and Human Services.

SEC. 1302. PURPOSES.

The purposes of this subtitle are to—

(1) improve the Nation's dietary and nutritional standards by promoting domestically produced wholesome and nutritious fruit and vegetable products;

(2) increase the public awareness as to the difficulties domestic producers experience regarding the production, harvesting, and marketing of these products; and

(3) aid in the development of new technology and techniques that will assist domestic producers in meeting the challenges of increased demands for fruit and vegetable products in the future.

SEC. 1303. DECLARATION.

Congress declares that the domestic production of fruits and vegetables is an integral part of this Nation's farm policy.

SEC. 1304. STUDY OF THE FRUIT AND VEGETABLE INDUSTRY.

(a) STUDY.—

(1) IN GENERAL.—The Secretary of Agriculture shall conduct a study to determine the state of the domestic fruit and vegetable industry. In conducting such study, the Secretary of Agriculture shall consult with such agencies or departments, as determined necessary by the Secretary of Agriculture, including the Environmental Protection Agency, the Department of Health and Human Services, the Department of Commerce, the Department of Labor, and the Department of Education.

(2) CONTENTS.—The study conducted under paragraph (1) shall include—

(A) a review of the availability of an adequate labor supply for maintaining and harvesting of fruits and vegetables;

(B) a review of the availability of crop insurance or disaster assistance for fruit and vegetable producers;

(C) a review of scientific and technological advances in the areas of genetics, biotechnology, integrated pest management, post harvest protection, and other scientific developments related to the production and marketing of fruits and vegetables;

(D) an examination of the availability of safe and effective chemicals for use in the production of fruits and vegetables, and an evaluation of the value of national uniformity to both consumers and producers;

(E) a review of the requirements and cost of labeling fruits and vegetables in the industry, and the benefits that would result from the labeling of such products; and

(F) a review of Federal educational programs that teach the importance of fruits and vegetables to a proper diet.

(b) REPORT.—Not later than 18 months after the date of enactment of this title, the Secretary of Agriculture shall prepare and submit, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report containing the results of the study described in subsection (a). Such report shall include—

(1) the recommendations of the Secretary concerning the manner in which producers of domestic fruit and vegetable commodities that are not receiving assistance under the programs that provide market enhancement assistance (such as the export enhancement program under subtitle B of title XI of the Food Security Act of 1985 (7 U.S.C. 1736p et seq.) to producers of domestic fruit and vegetable commodities, could participate in such programs; and

(2) the recommendations to the Secretary concerning the establishment of additional programs of the type described in paragraph (1) to assist producers of domestic fruit and vegetable commodities in increasing their production and in expanding domestic and foreign markets for the products of such producers.

SEC. 1305. COUNTRY OF ORIGIN LABELING PROGRAMS.

(a) GROWN IN THE U.S. PROGRAM.—The Secretary of Agriculture (hereafter referred to in this section as the "Secretary") shall implement a program defining the conditions under which non-perishable agricultural products may be designated as "grown in the U.S.".

(b) PILOT PROGRAM.—

(1) IN GENERAL.—The Secretary shall implement a 2-year pilot program during which time perishable agricultural products (fresh fruits and vegetables) are labeled or marked as to their country of origin. This program shall be conducted nationwide. After the 2-year period, the Secretary shall conduct a study to determine the results of the program. The Secretary shall submit to the Congress the results of the study within 18 months from the date of completion of the program.

(2) DETAILS OF THE PILOT PROGRAM.—

(A) DESIGNATION OF COUNTRY OF ORIGIN.—The program shall require that the country of origin of perishable agricultural products be indicated on any such products or on the package, display, holding unit, or bin by means of a label, stamp, mark, placard, or other clear and visible indication at the point of sale by any commission merchant, dealer, broker, or grocer. A sign near the products shall be an acceptable indication of the country of origin.

(B) APPLICATION OF PROGRAM.—

(i) IMPORTED AND DOMESTIC PRODUCTS.—The program shall apply to imported and domestic perishable agricultural products (including fresh fruits and vegetables).

(ii) IMPORTED PERISHABLE AGRICULTURAL PRODUCTS.—The labeling program shall apply to imported perishable agricultural products that enter the United States marked as to the country of origin and that are in compliance with section 304(a) of the Tariff Act of 1930.

(C) EXEMPTIONS.—The Secretary may provide for exemptions for products that are exempted, under section 304(a)(3)(J) of the Tariff Act of 1930, from the country of origin marking requirements of that Act.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.

SEC. 1306. ENFORCEMENT OF HANDLER ASSESSMENTS.

Section 8c(14) of the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 608c(14)) is amended—

(1) in subparagraph (A) by—

(A) striking "(other than a provision calling for payment of a pro rata share of expenses)"; and

(B) striking ": Provided, That if" and inserting ". If"; and

(2) in subparagraph (B) by striking "(other than a provision calling for payment of a pro rata share of expenses)".

SEC. 1307. KIWIFRUIT AND OTHER FRUIT.

The first sentence of section 8e(a) of the Agricultural Adjustment Act (7 U.S.C. 608e–1), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by striking "or eggplants" and inserting "eggplants, kiwifruit, nectarines, plums, pistachios, or apples".

SEC. 1308. MARKETING ORDERS.

Section 8e of the Agricultural Adjustment Act (7 U.S.C. 608e–1), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by—

(1) striking "(a) Notwithstanding any other provision of law," in the first sentence, and inserting in its place "(a) Subject to the provisions of subsections (c) and (d) and notwithstanding any other provision of law,";

(2) adding at the end thereof the following new subsections:

"(c) Prior to any import prohibition or regulation under this section being made effective with respect to any commodity—

"(1) the Secretary of Agriculture shall notify the United States Trade Representative of such import prohibition or regulation; and

"(2) the United States Trade Representative shall advise the Secretary of Agriculture, within 60 days of the notification under paragraph (1), to ensure that the application of the grade, size, quality, and maturity provisions of the relevant marketing order, or comparable restrictions, to imports is not inconsistent with United States international obligations under any trade agreement, including the General Agreement on Tariffs and Trade.

"(d) The Secretary may proceed with the proposed prohibition or regulation if the Secretary receives the advice and concurrence of the United States Trade Representative within 60 days of the notification under subsection (c)(1).".

SEC. 1309. PRODUCTS PRODUCED IN DISTINCT GEOGRAPHIC AREAS.

(a) In General.—In the case of a perishable agricultural commodity (as defined under the Perishable Agricultural Commodity Act (7 U.S.C. 499a(4))—

(1) subject to a Federal marketing order under the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.);

(2) traditionally identified as being produced in a distinct geographic area, State, or region; and

(3) the unique identity, based on such distinct geographic area, of which has been promoted with funds collected through producer contributions pursuant to such marketing order,

no person may use the unique name or geographical designation of such commodity to promote the sale of a similar commodity produced outside such area, State, or region.

(b) Penalties.—A violation of this section shall be considered a violation of paragraphs (4) and (5) of section 2 of the Perishable Agricultural Commodities Act (7 U.S.C. 499b(4) and (5)).

(c) Reimbursement.—A person bringing a complaint under this section shall reimburse the Secretary of Agriculture for any and all costs associated with the enforcement of this section.

(d) Prohibition.—The Secretary of Agriculture shall not increase any fees charged under the Perishable Agricultural Commodities Act (7 U.S.C. 499 et seq.) to offset costs associated with the operation of this section.

(e) Regulations.—The Secretary shall promulgate regulations to carry out this section.

Subtitle B—National Laboratory Accreditation

SEC. 1321. DEFINITIONS.

As used in this subtitle:

(1) Agricultural product.—The term "agricultural product" means any fresh fruit or vegetable or any commodity or product derived from livestock or fowl, that is marketed in the United States for human consumption.

(2) Certificate.—The term "certificate" means a certificate of accreditation issued under this subtitle.

(3) Laboratory.—The term "laboratory" means any facility or vehicle that is owned by an individual or a public or private entity and is equipped and operated for the purpose of carrying out pesticide residue analysis on agricultural products for commercial purposes.

(4) Pesticide.—The term "pesticide" means any substance that alone, in chemical combination, or in any formulation with one or more substances, is defined as a pesticide in section 2(u) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136(u)).

(5) Secretary.—The term "Secretary" means the Secretary of Agriculture.

SEC. 1322. NATIONAL LABORATORY ACCREDITATION PROGRAM.

(a) Establishment of Program.—The Secretary shall administer a National Laboratory Accreditation Program under which laboratories that request accreditation and conduct residue testing of agricultural products, or that make claims to the public or buyers of agricultural products concerning chemical residue levels on agricultural products, shall be determined to meet certain minimum quality and reliability standards.

(b) Standards.—The Secretary of Health and Human Services, after consultation with the Secretary and the Administrator of the Environmental Protection Agency, shall establish, through regulations, standards for the National Laboratory Accreditation program that shall include—

(1) standards applicable to laboratories;

(2) qualifications for directors and other personnel; and

(3) standards and procedures for quality assurance programs.

(c) Accrediting Bodies.—The Secretary of Health and Human Services shall approve State agencies or private, nonprofit entities as accrediting bodies to act on behalf of such Secretary in implementing the certification and quality assurance programs in accordance with the requirements of this section. In making such approvals the Secretary of Health and Human Services shall—

(1) oversee and review the performance of any accrediting body acting on behalf of the Secretary to ensure that such accrediting body is in compliance with the requirements of the certification program under this section; and

(2) have the right to obtain from an accrediting body acting on behalf of the Secretary and from any laboratory that may be certified by such a body all records and materials that may be necessary for the oversight and review required by paragraph (1).

(d) Requirements.—To be accredited under this subtitle, a laboratory shall—

(1) prepare and submit an application for accreditation to the Secretary; and

(2) comply with such terms and conditions as are determined necessary by the Secretary and the Secretary of Health and Human Services.

(e) Exceptions.—This subtitle shall not apply to—

(1) a laboratory operated by a government agency;

(2) a laboratory operated by a corporation that only performs analysis of residues on agricultural products for such corporation or any wholly owned subsidiary of such corporation and does not make claims to the public or buyers based on such analysis;

(3) a laboratory operated by a partnership that only performs analysis of residues on agricultural products for the partners of such partnership and does not make claims to the public or buyers based on such analysis; or

(4) a laboratory not operated for commercial purposes that performs pesticide chemical residue analysis on agricultural products for research or quality control for the internal use of a person who is initiating the analysis.

SEC. 1323. ACCREDITATION.

(a) In General.—The Secretary shall issue certificates of accreditation to laboratories that meet the requirements of this subtitle, as determined by the Secretary.

(b) Requirements for Accreditation.—To receive accreditation under this subtitle, a laboratory shall prepare and submit an application for accreditation to the Secretary and shall complete such required tests, and meet such standards as established under section 1322.

(c) Failure to Meet Accreditation Standards.—The Secretary shall deny an application for accreditation or shall revoke any existing accreditation with respect to any laboratory that fails to meet the requirements for accreditation under this subtitle.

(d) Limited Accreditation.—The Secretary may issue certificates of accreditation to laboratories that are limited to specific fields of testing.

SEC. 1324. SAMPLES.

(a) PERFORMANCE EVALUATION SAMPLES.—

(1) PROVIDED BY SECRETARY.—The Secretary shall ensure that performance evaluation samples are provided to any laboratory that has applied for accreditation under this subtitle.

(2) ANALYSIS BY LABORATORY.—A laboratory described in paragraph (1) shall analyze such performance evaluation samples and submit the results of such analysis to the Secretary, as provided for in section 1322.

(3) TESTING METHODS.—Samples shall be tested by the laboratory according to methods specifically approved for such purpose by alternate methods of demonstrated adequacy or equivalence, as determined in regulations established under this subtitle.

(b) RESULTS OF TESTING.—

(1) SUBMISSION OF RESULTS.—The laboratory shall submit the results of the tests conducted under subsection (a) to the Secretary on forms provided by the Secretary, on or before the date determined by the Secretary.

(2) EVALUATION OF TESTS.—The Secretary shall evaluate the results of such tests achieved by the laboratory and shall determine whether such laboratory is capable of undertaking an accurate analysis of chemical residues in agricultural products.

(c) REVIEW OF ACCREDITATION.—The Secretary shall ensure that performance evaluation samples for analysis are provided to laboratories accredited under this subtitle not less than two times a year.

SEC. 1325. APPLICATION.

(a) CONTENTS OF APPLICATION.—An application for accreditation under this subtitle shall be prepared and submitted to the Secretary and shall include—

(1) the name and address of the laboratory;

(2) the name and address of the owners and managers of such laboratory;

(3) a statement concerning the type of analysis the laboratory intends to conduct;

(4) a brief history of the laboratory and its previous operations; and

(5) such other information as may be required by the Secretary.

(b) RESTRICTIONS ON SUBMISSION OF APPLICATION.—A laboratory that has been denied, or has lost, accreditation under this subtitle shall not reapply for accreditation until the expiration of at least 6 months after such denial or loss of accreditation. Corrective actions taken by the laboratory to address deficiencies upon which the denial or loss of accreditation was based must accompany the reapplication.

SEC. 1326. REPORTING.

(a) IN GENERAL.—Each laboratory or individual that performs, brokers, or otherwise arranges for the performance of a pesticide chemical analysis of food shall prepare and submit a report, simultaneously to the Secretary, the Secretary of Health and Human Services, and to the owner of such food, that shall contain any finding of pesticide chemical residues in such food—

(1) for which no chemical residue tolerance or exemption has been established;

(2) that is in excess of residue tolerances; or

(3) for which the chemical residue tolerance has been revoked or the chemical residue is otherwise not permitted by the Environmental Protection Agency.

(b) TIMING OF REPORT.—A laboratory shall submit the report required under subsection (a) to the Secretary, the Secretary of Health and Human Services, and the owner of such food as soon as practicable after the completion of the analysis of such food.

(c) GUIDELINES.—The Secretary shall adopt standardized reporting guidelines to be applied to laboratories under this section and shall provide such guidelines to laboratories accredited under this subtitle, as well as other sources of information regarding applicable pesticide chemical tolerances.

SEC. 1327. FEES.

(a) IN GENERAL.—At the time that an application for accreditation is received by the Secretary, and annually thereafter, a laboratory seeking such accreditation under this subtitle shall pay a nonrefundable accreditation fee.

(b) AMOUNT OF FEE.—The fee required under subsection (a) shall be established by the Secretary in an amount that will offset the cost of the program established by this subtitle.

(c) REIMBURSEMENT OF EXPENSES.—Each laboratory that is accredited under this subtitle or that has applied for accreditation under this subtitle shall reimburse the Secretary for reasonable travel and other expenses necessary to perform onsite inspections of such laboratory.

(d) ADJUSTMENT OF FEES.—The Secretary may, on an annual basis, adjust the fees imposed under this section as necessary to support the full costs of the program established by this subtitle.

SEC. 1328. PUBLIC DISCLOSURE.

The results of the evaluations of laboratories conducted by the Secretary under this subtitle shall be made available to the Secretary of Health and Human Services and to the public on request.

SEC. 1329. REGULATIONS.

The Secretary shall promulgate regulations to carry out this subtitle.

SEC. 1330. EFFECT OF OTHER LAWS.

Nothing in this subtitle shall alter the authority of the Secretary of Health and Human Services under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.).

Subtitle C—Cosmetic Appearance

SEC. 1351. DEFINITION.

As used in this subtitle, the term "cosmetic appearance" means the exterior appearance of an agricultural commodity, including changes to that appearance resulting from superficial damage or other alteration that do not significantly affect yield, taste, or nutritional value.

SEC. 1352. RESEARCH.

(a) Requirement.—The Secretary of Agriculture shall conduct research to examine the effects, to the extent listed in subsection (b), of grade standards and other regulations, as developed and promulgated pursuant to the Agricultural Marketing Act of 1946 (7 U.S.C. 1621 et seq.), and other statutes governing cosmetic appearance.

(b) Scope of Research.—The primary goal of this research is to investigate the extent to which grade standards and other regulations governing cosmetic appearance affect pesticide use in the production of perishable commodities. The research shall also—

(1) determine pesticide application levels for United States perishable commodity production and assess trends, and factors influencing those trends, of pesticide application levels since 1975;

(2) determine the extent to which Federal grade standards and other regulations affect pesticide use in agriculture for cosmetic appearance;

(3) determine the effect of reducing emphasis on cosmetic appearance in grade standards and other regulations on—

(A) the application and availability of pesticides in agriculture;

(B) the adoption of agricultural practices that result in reduced pesticide use;

(C) production and marketing costs;

(D) domestic and international markets and trade for perishable commodities;

(4) determine the extent to which grade standards and other regulations reflect consumer preferences;

(5) develop options for implementation of food marketing policies and practices that will remove obstacles that may exist to pesticide use reduction, based on the findings of research conducted under this section.

(c) Field Research.—

(1) Length of projects.—The Secretary of Agriculture shall implement, not later than 12 months after the date of enactment of this Act, a minimum of three, 2-year market research projects, in at least three States, to demonstrate and evaluate the feasibility of consumer education and information programs.

(2) Scope of field research.—Research under paragraph (1) shall be conducted to evaluate programs designed to—

(A) offer consumers choices among perishable commodities produced with different production practices;

(B) provide consumers with information about agricultural practices used in the production of perishable commodities; or

(C) educate the public about the relationship, as determined in the research conducted under this subtitle, between the cosmetic appearance of perishable commodities and pesticide use.

(d) Dissemination of Results.—The Secretary of Agriculture shall disseminate to concerned parties the results obtained from prior scientifically valid research concerning Federal marketing policies and practices described in this section to avoid any duplica-

tion of effort and to ensure that current knowledge concerning such policies and practices is enhanced.

(e) ADVISORY COMMITTEE.—

(1) ESTABLISHMENT.—The Secretary of Agriculture shall establish an advisory committee for the purpose of providing ongoing review of the implementation of the requirements in this section and providing the Secretary of Agriculture with recommendations regarding the implementation of those requirements.

(2) MEMBERSHIP.—The Advisory Committee shall consist of 12 members comprised of three representatives from not-for-profit consumer organizations, three representatives from not-for-profit environmental organizations, three representatives from production agriculture and the perishable commodity grower and shipper community, and three representatives from the food retailing sector, each with experience in the policy issues discussed in this section.

(f) REPORT.—The Secretary of Agriculture shall report to Congress on the research conducted under this section no later than September 30, 1992. The Secretary shall report on the research conducted under subsection (c) no later than September 30, 1993.

SEC. 1353. CHANGES IN PROCEDURAL REGULATIONS.

With regard to Federal grade standards developed and promulgated pursuant to the Agricultural Marketing Act of 1946 (7 U.S.C. 1621 et seq), the Secretary of Agriculture shall:

(1) Take into account the impact of those standards on the ability of perishable commodity growers to reduce the use of pesticides.

(2) Provide for citizens outside of the perishable commodity industry fair and reasonable opportunity to formally petition a change in grade standards.

(3) Provide for a comment period after a formal petition to change grade standards has been made to enable all interested parties to submit information. The Secretary of Agriculture shall evaluate the information and consider it in the revision process.

(4) Provide interested parties with annual status reports during the period 1992 through 1994, updated upon request, on all pending grade standard changes the Department of Agriculture is considering.

SEC. 1354. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out the activities required under this subtitle, $4,000,000 for each fiscal year.

Subtitle D—Miscellaneous

SEC. 1361. AMENDMENT TO THE PERISHABLE AGRICULTURAL COMMODITIES ACT.

Section 3(b) of the Perishable Agricultural Commodities Act of 1930 (7 U.S.C. 499c(b)) is amended—

(1) by striking ": Provided, That the" and inserting the following: ". Any reserve funds in the Perishable Agricultural

Commodities Act Fund may be invested by the Secretary in insured or fully-collateralized interest-bearing accounts or, at the discretion of the Secretary, by the Secretary of the Treasury in United States Government debt instruments. Any interest earned on such reserve funds shall be credited to the Perishable Agricultural Commodities Act Fund and shall be available for the same purposes as the fees deposited in such fund. The"; and

(2) by striking ": Provided further, That financial" and inserting ". Financial".

SEC. 1362. WINE AND WINEGRAPE INDUSTRY STUDY.

(a) STUDY.—The Secretary of Agriculture shall conduct a study to determine how the Department of Agriculture might best work with and support the United States wine and winegrape industry. Such study shall—

(1) be designed to determine whether existing Department of Agriculture programs could be improved to better assist and support the United States wine and winegrape industry;

(2) be designed to determine whether new methods or programs implemented by the Department of Agriculture could enhance wine and winegrape production and processing and expand markets for United States wine and winegrapes;

(3) be conducted in consultation with local, state, and national associations or organizations of wine and winegrape producers;

(4) give special emphasis to States or other geographic areas that have not traditionally had a wine and winegrape industry.

(b) REPORT.—The Secretary of Agriculture shall submit a report detailing the determinations made in the study under subsection (a) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate not later than December 31, 1991. Such report shall also include any recommendations to the Congress for legislation the Secretary determines may be necessary to implement the programs or methods specified under subsection (a).

TITLE XIV—CONSERVATION

SEC. 1401. SHORT TITLE.

This title may be cited as the "Conservation Program Improvements Act".

Subtitle A—Highly Erodible Land Conservation

SEC. 1411. PROGRAM INELIGIBILITY.

Section 1211 of the Food Security Act of 1985 (16 U.S.C. 3811) is amended—

(1) in the first sentence by inserting after "is predominate" the following: ", or designates land on which highly erodible land is predominate to be set aside, diverted, devoted to conservation uses, or otherwise not cultivated under a program administered by the Secretary to reduce production of an agricultural commodity, as determined by the Secretary";

(2) in paragraph (1)(D) by inserting before the semicolon ", under section 132 of the Disaster Assistance Act of 1989 (16 U.S.C. 1421 note), or under any similar provision enacted subsequent to August 14, 1989";

(3) in paragraph (1)(E) by striking the final "or";

(4) in paragraph (2) by striking the period at the end and inserting "; or"; and

(5) by adding at the end the following:

"(3) during such crop year—

"(A) a payment made under section 8, section 12 or section 16(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h, 590l or 590p(b));

"(B) a payment made under section 401 or section 402 of the Agricultural Credit Act of 1978 (16 U.S.C. 2201 or 2202);

"(C) a payment under any contract entered into pursuant to section 1231;

"(D) a payment under chapter 2;

"(E) a payment under chapter 3; or

"(F) a payment, loan or other assistance under section 3 or section 8 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1003 or 1006a).".

SEC. 1412. EXEMPTIONS.

(a) Conservation Compliance.—Section 1212(a) of the Food Security Act of 1985 (16 U.S.C. 3812(a)) is amended by adding at the end thereof the following new paragraphs:

"(3) Any person who owns or operates highly erodible land that was the subject of a contract entered into under subchapter B of chapter 1 of subtitle D shall, if the conservation plan established under this subtitle for such land requires structures to be constructed, have until 2 years after the expiration of such contract to comply with the conservation plan, or a longer period of time if the Secretary determines compliance is otherwise technically or economically not feasible, or such longer period is otherwise appropriate, before such person will be subject to program ineligibility with respect to such land under section 1211.

"(4) On the expiration of a contract entered into under subchapter B of chapter 1 of subtitle D, the provisions of this subtitle shall apply to the acreage that was the subject of such contract.".

(b) Inadvertent Actions; Reduction in Certain Payments, Loans, and Assistance.—Section 1212 of the Food Security Act of 1985 (16 U.S.C. 3812) is amended—

(1) in subsection (b)(1), by inserting "or" after the semicolon;

(2) in subsection (b)(2), by striking the semicolon and inserting a period;

(3) by redesignating subsection (c) as subsection (d);

(4) by redesignating paragraphs (3) through (5) of subsection (b) as paragraphs (1) through (3), respectively, of subsection (c) and by inserting after subsection (b)(2) the following:

"(c) No person shall become ineligible under section 1211 for program loans, payments, and benefits as the result of the production of a crop of an agricultural commodity or the designation of land to be set aside, diverted, devoted to conservation uses, or otherwise not

cultivated under a program administered by the Secretary to reduce production of an agricultural commodity (hereafter in this subsection referred to as 'set aside')—";

(5) in subsection (c)(1)(B), as amended by paragraph (4), by inserting "for the protection of highly erodible land that has been set aside or" after "adequate"; and

(6) in subsection (c)(2), as amended by paragraph (4)—

(A) by inserting "or set aside" after "that is planted"; and

(B) by inserting "or set aside" after "that was planted".

(c) TENANTS.—Section 1212 of the Food Security Act of 1985 (16 U.S.C. 3812) (as amended by subsection (b) of this section) is amended by adding at the end the following new subsection:

"(e) If a tenant is determined to be ineligible for payments and other benefits under section 1211, the Secretary may limit such ineligibility only to the farm which is the basis for such ineligibility determination if—

"(1) the tenant has established to the satisfaction of the Secretary that—

"(A) the tenant has made a good faith effort to meet the requirements of this section, including enlisting the assistance of the Secretary to obtain a reasonable conservation compliance plan for such farm; and

"(B) the landlord on the farm refuses to comply with such plan on such farm; and

"(2) the Secretary determines that such lack of compliance is not a part of a scheme or device to avoid such compliance.

The Secretary shall provide an annual report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate concerning the ineligibility determinations limited during the previous 12-month period under this subsection.".

(d) GRADUATED SANCTIONS, HIGHLY ERODIBLE LAND CONSERVATION.—Section 1212 of the Food Security Act of 1985 (16 U.S.C. 3812) (as amended by subsection (c) of this section) is further amended by adding at the end thereof the following new subsection:

"(f)(1) Except to the extent provided in paragraph (2), no person shall become ineligible under section 1211 for program loans, payments, and benefits as a result of the failure of such person to actively apply a conservation plan that documents the decisions of such person with respect to location, land use, tillage systems, and conservation treatment measures and schedules prepared under subsection (a), if the Secretary determines that such person has—

"(A) not violated the provisions of section 1211 within the previous 5 years on a farm; and

"(B) acted in good faith and without the intent to violate the provisions of this subtitle.

"(2) If the Secretary determines that a person who has failed to comply with the provisions of section 1211 meets the requirements of paragraph (1), the Secretary shall, in lieu of applying the ineligibility provisions in section 1211, reduce by not less than $500 nor more than $5,000, depending on the seriousness of the violation as determined by the Secretary, program benefits described in section 1211

that such producer would otherwise be eligible to receive in a crop year.

"(3) Any person whose benefits are reduced in any crop year under this subsection shall continue to be eligible for all of the benefits described in section 1211 for any subsequent crop year if, prior to the beginning of such subsequent crop year, the Secretary determines that such person is actively applying a conservation plan prepared under subsection (a) according to the schedule set forth in such plan.

"(4) Notwithstanding any other provision of this subtitle, no person shall become ineligible under section 1211 for program loans, payments, and benefits as a result of the failure of such person to actively apply a conservation plan that documents the decisions of such person with respect to location, land use, tillage systems, and conservation treatment measures and schedules prepared under subsection (a), if the Secretary—

"(A) determines that such failure results in a violation of section 1211 that is technical and minor in nature and that such violation has a minimal effect on the erosion control purposes of the conservation plan applicable to the land on which such violation has occurred;

"(B) determines that such failure is due to circumstances beyond the control of the person; or

"(C) grants the person a temporary variance from the practices specified in the plan for the purpose of handling a specific problem.

A determination or the granting of a variance by the Secretary under this paragraph shall not be counted as a violation for the purposes of paragraph (1)(A).".

(e) Information.—Section 1212 of the Food Security Act of 1985 (16 U.S.C. 3812) (as amended by subsection (d) of this section) is further amended by adding at the end thereof the following new subsection:

"(g) The Secretary, in providing assistance to an individual in the preparation or revision of a conservation plan under this section, shall provide such individual with information—

"(1) concerning cost effective and applicable erosion control measures that may be available to such individual to meet the requirements of this section; and

"(2) concerning crop flexibility, base adjustment, and conservation assistance options that may be available to such individual to meet the requirements of this section, including the provisions of titles X, XII, and XIII, of the Food, Agriculture, Conservation, and Trade Act of 1990 (or the amendments made by such titles).".

(f) Noncommercial Production of Agricultural Commodities.—Section 1212 of the Food Security Act of 1985 (16 U.S.C. 3812) (as amended by subsection (e) of this section) is further amended by adding at the end thereof the following new subsection:

"(h) Section 1211 shall not apply to the noncommercial production of agricultural commodities on a farm if such production is limited to two acres or less and if the Secretary determines that such pro-

duction is not intended to circumvent the conservation requirements otherwise applicable to lands under this subtitle.".

Subtitle B—Wetland Conservation

SEC. 1421. WETLAND PROGRAM IMPROVEMENTS.

(a) DEFINITION.—Section 1201(a)(16) of the Food Security Act of 1985 (16 U.S.C. 3801(a)(16)) is amended by amending the first sentence to read as follows:

"(16) The term 'wetland', except when such term is part of the term 'converted wetland', means land that—

"(A) has a predominance of hydric soils;

"(B) is inundated or saturated by surface or groundwater at a frequency and duration sufficient to support a prevalence of hydrophytic vegetation typically adapted for life in saturated soil conditions; and

"(C) under normal circumstances does support a prevalence of such vegetation.".

(b) WETLAND.—Section 1221 of the Food Security Act of 1985 (16 U.S.C. 3821) is amended—

(1) by striking "Except as provided" and inserting "(a) Except as provided";

(2) in paragraph (1)(D), by inserting before the semicolon ", under section 132 of the Disaster Assistance Act of 1989 (16 U.S.C. 1421 note), or under any similar provision enacted subsequent to August 14, 1989";

(3) in paragraph (1)(E), by striking the final "or";

(4) in paragraph (2), by striking the period at the end and inserting a "; or";

(5) by adding at the end the following:

"(3) during such crop year—

"(A) a payment made under section 8, section 12, or section 16(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h, 590l or 590p(b));

"(B) a payment made under section 401 or section 402 of the Agricultural Credit Act of 1978 (16 U.S.C. 2201 or 2202);

"(C) a payment under any contract entered into pursuant to section 1231;

"(D) a payment under chapter 2;

"(E) a payment under chapter 3; or

"(F) a payment, loan or other assistance under section 3 or section 8 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1003 or 1006a)."; and

(6) by adding after subsection (a) (as designated by paragraph (1)), a new subsection (b) as follows:

"(b) Except as provided in section 1222 and notwithstanding any other provision of law, any person who in any crop year subsequent to the date of enactment of the Food, Agriculture, Conservation, and Trade Act of 1990 converts a wetland by draining, dredging, filling, leveling, or any other means for the purpose, or to have the effect, of making the production of an agricultural commodity possible on such converted wetland shall be ineligible for those payments, loans,

or programs specified in subsections (a) (1) through (3) for that crop year and all subsequent crop years.".

SEC. 1422. DELINEATION OF WETLAND; EXEMPTIONS.

Section 1222 of the Food Security Act of 1985 (16 U.S.C. 3822) is amended to read as follows:

"SEC. 1222. DELINEATION OF WETLANDS; EXEMPTIONS.

"(a) DELINEATION OF WETLANDS.—

"(1) WETLAND DELINEATION MAPS.—The Secretary shall delineate wetlands on wetland delineation maps. The Secretary shall make a reasonable effort to make an on-site wetland determination whenever requested by an owner or operator, prior to such delineation.

"(2) CERTIFICATION.—Upon providing notice to affected owners or operators, the Secretary shall certify each such map as sufficient for the purpose of making determinations of ineligibility for program benefits under section 1221 and shall, in accordance with section 1243, provide an opportunity to appeal such delineations to the Secretary prior to making such certification final. In the case of an appeal, the Secretary shall review and certify the accuracy of the mapping of all lands subject to the appeal mapped prior to the date of enactment of the Food, Agriculture, Conservation, and Trade Act of 1990 for the purpose of wetland delineations to ensure that wetland on such lands has been accurately delineated. Prior to rendering a decision on any such appeal, the Secretary shall conduct an on-site inspection of the subject land. The Secretary shall not be required to provide an opportunity for an appeal of delineations completed prior to the enactment of this subsection that are not changed, and for which an appeal had already occurred and, in connection with such previous appeal, an on-site determination had been conducted.

"(3) PUBLIC LIST.—The Secretary shall maintain a public listing of all such certifications that have been completed.

"(4) PERIODIC REVIEW AND UPDATE.—The Secretary shall provide by regulation a process for the periodic review and update of such wetland delineations as the Secretary deems appropriate. No person shall be adversely affected because of having taken an action based on a previous determination by the Secretary.

"(b) EXEMPTIONS.—No person shall become ineligible under section 1221 for program loans, payments, and benefits—

"(1) as the result of the production of an agricultural commodity on—

"(A) converted wetland if the conversion of such wetland was commenced before December 23, 1985;

"(B) an artificial lake, pond, or wetland created by excavating or diking nonwetland to collect and retain water for purposes such as water for livestock, fish production, irrigation (including subsurface irrigation), a settling basin, cooling, rice production, or flood control;

"(C) a wet area created by a water delivery system, irrigation, irrigation system, or application of water for irrigation; or

"(D) wetland on which the owner or operator of a farm or ranch uses normal cropping or ranching practices to produce an agricultural commodity in a manner that is consistent for the area where such production is possible as a result of a natural condition, such as drought, and is without action by the producer that destroys a natural wetland characteristic; or

"(2) for the conversion of—

"(A) an artificial lake, pond, or wetland created by excavating or diking nonwetland to collect and retain water for purposes such as water for livestock, fish production, irrigation (including subsurface irrigation), a settling basin, cooling, rice production, or flood control; or

"(B) a wet area created by a water delivery system, irrigation, irrigation system, or the application of water for irrigation.

"(c) On-site Inspection Requirement.—No program loans, payments, or benefits shall be withheld from a person under this subtitle unless the Secretary has conducted an on-site visit of the subject land.

"(d) Prior Loans.—Section 1221 shall not apply to a loan described in section 1221 made before December 23, 1985.

"(e) Nonwetlands.—The Secretary shall exempt from the ineligibility provisions of section 1221 any action by a person upon lands in any case in which the Secretary determines that any one of the following does not apply with respect to such lands:

"(1) Such lands have a predominance of hydric soils.

"(2) Such lands are inundated or saturated by surface or groundwater at a frequency and duration sufficient to support a prevalence of hydrophytic vegetation typically adapted for life in saturated soil conditions.

"(3) Such lands, under normal circumstances, support a prevalence of such vegetation.

"(f) Minimal Effect; Mitigation.—The Secretary shall exempt a person from the ineligibility provisions of section 1221 for any action associated with the production of an agricultural commodity on a converted wetland, or the conversion of a wetland, if, as determined by the Secretary—

"(1) such action, individually and in connection with all other similar actions authorized by the Secretary in the area, will have a minimal effect on the functional hydrological and biological value of the wetland, including the value to waterfowl and wildlife;

"(2) such wetland has been frequently cropped prior to the date of such action and the wetland values, acreage, and functions are mitigated by the producer through the restoration of a converted wetland, the conversion of which occurred or was commenced prior to December 23, 1985, where such restoration is—

"(A) in accordance with a restoration plan;

"(B) in advance of, or concurrent with, such action;

"(C) not at the expense of the Federal Government;

"(D) on not greater than a one-for-one acreage basis unless more acreage is needed to provide equivalent func-

tions and values that will be lost as a result of such wetland conversion to be mitigated;

"(E) on lands in the same general area of the local watershed as the converted wetland; and

"(F) with respect to such restored wetland, made subject to an easement to be recorded on public land records, and which shall remain in force for as long as the converted wetland for which the restoration is to mitigate remains in agricultural use or is not returned to its original wetland classification with equivalent functions and values, and which easement prohibits making alterations to such restored wetland that lower the restored wetland's functions and values; or

"(3) such wetland was converted subsequent to December 23, 1985, but prior to the date of enactment of this section, and the wetland values, acreage, and functions are mitigated by the producer through the restoration of a converted wetland, the conversion of which occurred or was commenced prior to December 23, 1985, if such restoration meets the requirements of subparagraphs (A), (B), (C), (D), (E), and (F) of paragraph (2).

"(g) MITIGATION APPEALS.—A producer shall be afforded the right to appeal, under section 1243, the imposition of a mitigation agreement requiring greater than one-to-one acreage mitigation to which the producer is subject.

"(h) GOOD FAITH EXEMPTION; GRADUATED SANCTIONS.—

"(1) GOOD FAITH EXEMPTION.—A person's ineligibility under section 1221 for program loans, payments, and benefits as the result of the conversion of a wetland subsequent to the date of enactment of this subsection, or the production of an agricultural commodity on a converted wetland subsequent to December 23, 1985, may be reduced under paragraph (2) if—

"(A) such person is actively restoring the wetland under an agreement entered into with the Secretary to fully restore the characteristics of the converted wetland to its prior wetland state, or such person has previously restored the characteristics of the converted wetland to its prior wetland state as determined by the Secretary; and

"(B) the Secretary determines that—

"(i) the person has not otherwise violated the provisions of section 1221 in the previous 10-year period on a farm; and

"(ii) such person converted a wetland, or produced an agricultural commodity on a converted wetland, in good faith and without the intent to violate the provisions of section 1221.

"(2) GRADUATED SANCTIONS.—If the Secretary determines that a person who has violated the provisions of section 1221 meets the requirements of paragraph (1), the Secretary shall, in lieu of applying the ineligibility provisions in section 1221, reduce by not less than $750 nor more than $10,000, depending on the seriousness of the violation, program benefits described in section 1221 that such person would otherwise be eligible to receive in a crop year.

"(3) RELIEF.—The relief allowed by this subsection shall include the restoration of benefits withheld for violations that occurred prior to the date of enactment of this section.

"(i) RESTORATION.—Any person who is determined to be ineligible for program benefits under section 1221 for any crop year shall not be ineligible for such program benefits under such section for any subsequent crop year if, prior to the beginning of such subsequent crop year, the person has fully restored the characteristics of the converted wetland to its prior wetland state.

"(j) DETERMINATIONS; RESTORATION AND MITIGATION PLANS; REPORTING; MONITORING ACTIVITIES.—

"(1) DETERMINATIONS; PLANS.—Technical determinations and the development of restoration and mitigation plans under this section shall be made through the agreement of the local representative of the Soil Conservation Service and a representative of the Fish and Wildlife Service. If agreement cannot be reached at the local level under the preceding sentence, such determinations shall be referred to the State Conservationist, who in making a determination under this paragraph, shall consult with the Fish and Wildlife Service.

"(2) REPORT OF DETERMINATIONS.—The State Conservationist and a representative of the Fish and Wildlife Service shall report to their respective national offices concerning all determinations made under paragraph (1) at the State level as a result of an agreement not being reached at the local level.

"(3) MONITORING ACTIVITIES.—The Secretary shall conduct such monitoring activities as are necessary to ensure the success and effectiveness of the wetland restorations undertaken pursuant to this section.".

SEC. 1423. CONSULTATION.

Section 1223 of the Food Security Act of 1985 (16 U.S.C. 3823) is amended—

(1) in paragraph (2), by striking "and";

(2) in paragraph (3), by striking the period and inserting "; and"; and

(3) by adding at the end the following:

"(4) mitigation; and

"(5) the restoration of wetland values and functions on converted wetland as required under this subtitle.".

SEC. 1424. FAIRNESS OF COMPLIANCE.

Subtitle C of title XII of the Food Security Act of 1985 (16 U.S.C. 3821 et seq.) is amended by adding at the end the following new section:

"SEC. 1224. FAIRNESS OF COMPLIANCE.

"If the actions of an unrelated person or public entity, outside the control of, and without the prior approval of, the landowner or tenant result in a change in the characteristics of cropland that would cause the land to be determined to be a wetland, the affected land shall not be considered to be wetland for purposes of this subtitle.".

Subtitle C—Agricultural Resources Conservation Program

SEC. 1431. AGRICULTURAL RESOURCES CONSERVATION PROGRAM.

Subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 1231 et seq.) is amended—

(1) in the subtitle heading, by striking "Conservation Reserve" and inserting "Agricultural Resources Conservation Program"; and

(2) by inserting before section 1231 the following:

"CHAPTER 1—ENVIRONMENTAL CONSERVATION ACREAGE RESERVE PROGRAM

"Subchapter A—General Provisions

"SEC. 1230. ENVIRONMENTAL CONSERVATION ACREAGE RESERVE PROGRAM.

"(a) ESTABLISHMENT.—During the 1991 through 1995 calendar years, the Secretary shall, in accordance with this chapter, establish an Environmental Conservation Acreage Reserve Program and implement such program through contracts and the acquisition of easements to assist owners and operators of highly erodible lands, other fragile lands (including land with associated ground or surface water that may be vulnerable to contamination), and wetlands in conserving and improving the soil and water resources of the farms or ranches of such owners and operators.

"(b) NUMBER OF ACRES.—In carrying out the Environmental Conservation Acreage Reserve Program, the Secretary shall enter into contracts with owners and operators and acquire interests in lands through easements from owners as provided for in subchapters B and C to place in the Environmental Conservation Acreage Reserve Program during the 1986 through 1995 calendar years a total of not less than 40,000,000 nor more than 45,000,000 acres.

"(c) IMPLEMENTATION.—The Secretary shall carry out the Environmental Conservation Acreage Reserve Program established under subsection (a) through the conservation reserve program and the wetland reserve program established in subchapters B and C, respectively. Acreage enrolled into the conservation reserve under subchapter B prior to the date of enactment of this chapter shall be considered to be land placed in the Environmental Conservation Acreage Reserve Program for the purposes of this chapter.".

SEC. 1432. CONSERVATION RESERVE PROGRAM.

Title XII of the Food Security Act of 1985 is amended—

(1) by inserting after section 1230 (as added by section 1431 of this Act) the following:

"Subchapter B—Conservation Reserve"; and

(2) by amending section 1231 (16 U.S.C. 3831) to read as follows:

"SEC. 1231. CONSERVATION RESERVE.

"(a) IN GENERAL.—Through the 1995 calendar year, the Secretary shall formulate and carry out the enrollment of lands in a conservation reserve program through the use of contracts to assist owners and operators of lands specified in subsection (b) to conserve and improve the soil and water resources of such lands.

"(b) ELIGIBLE LANDS.—The Secretary may include in the program established under this subchapter—

"(1) highly erodible croplands that—

"(A) if permitted to remain untreated could substantially reduce the production capability for future generations; or

"(B) can not be farmed in accordance with a plan under section 1212;

"(2) marginal pasture lands converted to wetland or established as wildlife habitat prior to the enactment of the Food, Agriculture, Conservation, and Trade Act of 1990;

"(3) marginal pasture lands to be devoted to trees in or near riparian areas or for similar water quality purposes, not to exceed 10 percent of the number of acres of land that is placed in the conservation reserve under this subchapter in each of the 1991 through 1995 calendar years;

"(4) croplands that are otherwise not eligible—

"(A) if the Secretary determines that (i) such lands contribute to the degradation of water quality or would pose an on-site or off-site environmental threat to water quality if permitted to remain in agricultural production, and (ii) water quality objectives with respect to such land cannot be achieved under the water quality incentives program established under chapter 2;

"(B) if such croplands are newly-created, permanent grass sod waterways, or are contour grass sod strips established and maintained as part of an approved conservation plan;

"(C) that will be devoted to, and made subject to an easement for the useful life of, newly established living snow fences, permanent wildlife habitat, windbreaks, shelterbelts, or filterstrips devoted to trees or shrubs; or

"(D) if the Secretary determines that such lands pose an off-farm environmental threat, or pose a threat of continued degradation of productivity due to soil salinity, if permitted to remain in production.

"(c) CERTAIN LAND AFFECTED BY SECRETARIAL ACTION.—For purposes of determining the eligibility of land to be placed in the conservation reserve established under this subchapter, land shall be considered planted to an agricultural commodity during a crop year if an action of the Secretary prevented land from being planted to the commodity during the crop year.

"(d) MAXIMUM ENROLLMENT.—The Secretary may enter into contracts under this section to place in the conservation reserve the amount of acres specified in section 1230(b). In enrolling such acres, the Secretary shall reserve 1 million acres for enrollment under this section in each of calendar years 1994 and 1995.

"(e) DURATION OF CONTRACT.—

"(1) IN GENERAL.—For the purpose of carrying out this subchapter, the Secretary shall enter into contracts of not less than 10, nor more than 15, years.

"(2) CERTAIN LANDS.—In the case of land devoted to hardwood trees, shelterbelts, windbreaks, or wildlife corridors under a contract entered into under this subchapter after October 1, 1990, and land devoted to such uses under contracts modified under section 1235A, the owner or operator of such land may, within the limitations prescribed under this section, specify the duration of the contract. The Secretary may, in the case of land that is devoted to hardwood trees under a contract entered into under this subchapter prior to October 1, 1990, extend such contract for not to exceed 5 years, as agreed to by the owner or operator of such land and the Secretary.

"(f) CONSERVATION PRIORITY AREAS.—

"(1) DESIGNATION.—Upon application by the appropriate State agency, the Secretary shall designate watershed areas of the Chesapeake Bay Region (Pennsylvania, Maryland, and Virginia), the Great Lakes Region, the Long Island Sound Region, and other areas of special environmental sensitivity as conservation priority areas.

"(2) ELIGIBLE WATERSHEDS.—Watersheds eligible for designation under this subsection shall include areas with actual and significant adverse water quality or habitat impacts related to agricultural production activities.

"(3) EXPIRATION.—Conservation priority area designation under this subsection shall expire after 5 years, subject to redesignation, except that the Secretary may withdraw a watershed's designation—

"(A) upon application by the appropriate State agency; or

"(B) in the case of areas specified in this subsection, if the Secretary finds that such areas no longer contain actual and significant adverse water quality or habitat impacts related to agricultural production activities.

"(4) DUTY OF SECRETARY.—In utilizing the authority granted under this subsection, the Secretary shall attempt to maximize water quality and habitat benefits in such watersheds by promoting a significant level of enrollment of lands within such watersheds in the program under this subchapter by whatever means the Secretary determines appropriate and consistent with the purposes of this subchapter.

"(g) MULTI-YEAR GRASSES AND LEGUMES.—For purposes of this subchapter, alfalfa and other multi-year grasses and legumes in a rotation practice, approved by the Secretary, shall be considered agricultural commodities.".

SEC. 1433. DUTIES OF OWNERS AND OPERATORS.

(a) AGREEMENT PROVISIONS.—Section 1232(a) of the Food Security Act of 1985 (16 U.S.C. 3832(a)) is amended—

(1) in paragraph (1), by striking "highly erodible cropland" and inserting "eligible lands";

(2) in paragraph (4)—

(A) by inserting ", or water cover for the enhancement of wildlife," after "cover"; and

(B) by inserting ", except that such water cover shall not include ponds for the purpose of watering livestock, irrigating crops, or raising fish for commercial purposes" after "land".

(3) in paragraph (5), by inserting "in addition to the remedies provided under section 1236(d)," before "on the violation";

(4) in paragraph (6), by inserting before the semicolon at the end thereof ", or the transferee and the Secretary agree to modifications to such contract, where such modifications are consistent with the objectives of the program as determined by the Secretary;";

(5) in paragraph (7), by inserting ", and the Secretary may permit limited fall and winter grazing on such land where such grazing is incidental to the gleaning of crop residues on the fields in which such land is located for an applicable reduction in rental payment" after "emergency";

(6) in paragraph (9), by striking "and" at the end thereof;

(7) in paragraph (10), by striking the period and inserting "; and"; and

(8) by adding at the end thereof the following new paragraph:

"(11) with respect to any contract entered into after the date of enactment of this paragraph concerning highly erodible land in a county that has not reached the limitation established by section 1243(f)—

"(A) not to produce an agricultural commodity for the duration of the contract on any other highly erodible land that such owner or operator has purchased after the date of enactment of this paragraph and that does not have a history of being used to produce an agricultural commodity other than forage crops; and

"(B) on the violation of a contract described in subparagraph (A), to be subject to the sanctions described in paragraph (5).".

(b) ENVIRONMENTAL USE; ALLEY-CROPPING; FORECLOSURE.— Section 1232 of the Food Security Act of 1985 (16 U.S.C. 3832) is amended by striking subsection (c) and adding the following new subsections:

"(c) ENVIRONMENTAL USE.—To the extent practicable, not less than one-eighth of land that is placed in the conservation reserve under this subchapter during the 1991 through 1995 calendar years shall be devoted to trees, or devoted to shrubs or other noncrop vegetation or water that may provide a permanent habitat for wildlife including migratory waterfowl.

"(d) ALLEY-CROPPING.—

"(1) The Secretary may permit alley cropping of agricultural commodities on land that is subject to contracts entered into under this subchapter, if—

"(A) such land is planted to hardwood trees;

"(B) such agricultural commodities will be produced in conjunction with, and in close proximity to, such hardwood trees; and

"(C) the owner or operator of such land agrees to implement appropriate conservation practices concerning such land.

"(2) The Secretary shall develop a bid system by which owners and operators may offer to reduce their annual rental payments in exchange for permission to produce agricultural commodities on such land in accordance with this subsection. The Secretary shall not accept offers under this paragraph that provide for less than a 50 percent reduction in such annual payments.

"(3) The Secretary shall ensure that the total annual rental payments over the term of any contract modified under this subsection are not in excess of that specified in the original contract.

"(4) For the purposes of this subsection, the term 'alley cropping' means the practice of planting rows of trees bordered on each side by a narrow strip of groundcover, alternated with wider strips of row crops or grain.

"(e) FORECLOSURE.—Notwithstanding any other provision of law, an owner or operator who is a party to a contract entered into under this subchapter may not be required to make repayments to the Secretary of amounts received under such contract if the land that is subject to such contract has been foreclosed upon and the Secretary determines that forgiving such repayments is appropriate in order to provide fair and equitable treatment. This subsection shall not void the responsibilities of such an owner or operator under the contract if such owner or operator resumes control over the property that is subject to the contract within the period specified in the contract. Upon the resumption of such control over the property by the owner or operator, the provisions of the contract in effect on the date of the foreclosure shall apply.".

SEC. 1434. PAYMENTS.

(a) COST SHARE ASSISTANCE.—Section 1234(b) of the Food Security Act of 1985 (16 U.S.C. 3834(b)) is amended to read as follows:

"(b)(1) In making cost sharing payments to an owner or operator under a contract entered into under this subchapter, the Secretary shall pay 50 percent of the cost of establishing water quality and conservation measures and practices required under such contracts for which the Secretary determines that cost-sharing is appropriate and in the public interest.

"(2) The Secretary shall not make any payment under this subchapter to the extent that the total amount of cost sharing payments provided to such owners and operators from all sources would exceed 100 percent of the total establishment costs.

"(3) In the case of land devoted to the production of hardwood trees, windbreaks, shelterbelts, or wildlife corridors under a contract entered into under this subchapter after the date of enactment of this section, or in the case of land converted to such production under section 1235A, the Secretary, in making cost share payments to an owner or operator of such land, shall pay 50 percent of the reasonable and necessary costs, as determined by the Secretary, incurred by such owner or operator for maintaining such plantings that are trees or shrubs, including the cost of replanting (if the trees or shrubs were lost due to conditions beyond the control of the owner or operator), during not less than the 2-year, and not more

than the 4-year, period beginning on the date of such plantings, as determined appropriate by the Secretary.

"(4) The Secretary may permit owners or operators who contract to devote at least 10 acres of land to the production of hardwood trees under this subchapter to extend the planting of such trees over a 3-year period if at least one-third of such trees are planted in each of the first 2 years.

"(5) An owner or operator shall not be eligible to receive or retain cost share assistance under this subsection if such owner or operator receives any other Federal cost share assistance with respect to such land under any other provision of law.".

(b) Acceptability of Offers; Continuous Sign-Up for Hardwood Trees.—

(1) Acceptability of offers.—Section 1234(c)(3) of the Food Security Act of 1985 (16 U.S.C. 3834(c)(3)) is amended to read as follows:

"(3) In determining the acceptability of contract offers, the Secretary may—

"(A) take into consideration the extent to which enrollment of the land that is the subject of the contract offer would improve soil resources, water quality, wildlife habitat, or provide other environmental benefits; and

"(B) establish different criteria in various States and regions of the United States based upon the extent to which water quality or wildlife habitat may be improved or erosion may be abated.".

(2) Continuous sign-up for hardwood trees.—Section 1234(c) of the Food Security Act of 1985 (16 U.S.C. 3834(c)) is further amended by adding at the end thereof the following new paragraph:

"(4) In the case of acreage enrolled in the conservation reserve established under this subchapter that is to be devoted to hardwood trees, the Secretary may consider bids for contracts under this subsection on a continuous basis.".

(c) State Payments.—Section 1234(d) of the Food Security Act of 1985 (16 U.S.C. 3834(d)) is amended by adding at the end the following new paragraph:

"(4) Payments to a producer under a special conservation reserve enhancement program described in subsection (f)(4) shall be in the form of cash only.".

(d) Other Payments.—Section 1234(f)(3) of the Food Security Act of 1985 (16 U.S.C. 3834(f)(3)) is amended by inserting ", the Food, Agriculture, Conservation, and Trade Act of 1990," after "this Act".

(e) Exemption From Sequestration; Other State Payments.—Section 1234 of the Food Security Act of 1985 (16 U.S.C. 3834) is amended further by adding at the end the following new subsections:

"(g) Notwithstanding any other provision of law, no order issued for any fiscal year under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended (2 U.S.C. 902) shall affect any payment under any contract entered into at any time that is subject to this subchapter, including contracts entered into prior to the date of enactment of this subsection.

"(h) In addition to any payment under this subchapter, an owner or operator may receive cost share assistance, rental payments, or tax benefits from a State or subdivision thereof for enrolling lands in the conservation reserve program.".

SEC. 1435. CONVERSION OF LAND SUBJECT TO CONTRACT.

Subtitle D of title XII of the Food Security Act of 1985 is amended by inserting after section 1235 (16 U.S.C. 3835) the following new section:

"SEC. 1235A. CONVERSION OF LAND SUBJECT TO CONTRACT TO OTHER CONSERVING USES.

"(a) CONVERSION TO TREES.—

"(1) IN GENERAL.—The Secretary shall permit an owner or operator who has entered into a contract under this subchapter that is in effect on the date of enactment of this section to convert areas of highly erodible cropland that are subject to such contract, and that are devoted to vegetative cover, from such use to hardwood trees, windbreaks, shelterbelts, or wildlife corridors.

"(2) TERMS.—

"(A) EXTENSION OF CONTRACT.—With respect to any contract on land to be devoted to hardwood trees, windbreaks, shelterbelts, or wildlife corridors under this section, if the original term of such contract was less than 15 years, the owner or operator may extend such contract to a term of not to exceed 15 years.

"(B) EASEMENTS.—If such areas are converted to windbreaks, shelterbelts, or wildlife corridors under this section, the owner of such land shall enter into an agreement to provide a conservation easement to the Secretary for the useful life of such plantings.

"(C) COST SHARE ASSISTANCE.—The Secretary shall pay 50 percent of the cost of establishing conservation measures and practices authorized under this subsection for which the Secretary determines the cost sharing is appropriate and in the public interest.

"(b) CONVERSION TO WETLANDS.—The Secretary shall permit an owner or operator who has entered into a contract under this subchapter that is in effect on the date of enactment of this section to restore areas of highly erodible cropland that are devoted to vegetative cover under such contract to wetlands if—

"(1) such areas are prior converted wetlands;

"(2) the owner or operator of such areas enters into an agreement to provide the Secretary with a long-term or permanent easement under subchapter C covering such areas;

"(3) there is a high probability that the prior converted area can be successfully restored to wetland status; and

"(4) the restoration of such areas otherwise meets the requirements of subchapter C.

"(c) LIMITATION.—The Secretary shall not incur, through a conversion under this section, any additional expense on such acres, including the expense involved in the original establishment of the vegetative cover, that would result in cost share for costs in excess of

the costs that would have been subject to cost share for the new practice had that practice been the original practice.

"(d) CONDITION OF CONTRACT.—An owner or operator shall as a condition of entering into a contract under subsection (a) participate in the Forest Stewardship Program established under section 5 of the Cooperative Forestry Assistance Act of 1978 (as amended by section 1215 of the Food, Agriculture, Conservation, and Trade Act of 1990).".

SEC. 1436. EXTENDED BASE PROTECTION.

Section 1236 of the Food Security Act of 1985 (16 U.S.C. 3835) is amended by adding at the end the following new subsections:

"(c) The Secretary shall offer the owner or operator of a farm or ranch an opportunity to extend the preservation of cropland base and allotment history pursuant to subsection (b) for such time as the Secretary determines to be appropriate after the expiration date of a contract under this subchapter at the request of such owner or operator. In return for such extension, the owner or operator shall agree to continue to abide by the terms and conditions of the original contract, except that—

"(1) such owner or operator shall receive no additional cost share, annual rental, or bonus payment; and

"(2) the Secretary may permit, subject to such terms and conditions as the Secretary may impose, haying and grazing of acreage subject to such agreement, except during any consecutive 5 month period that is established by the State committee. Each 5 month period shall be established during the period beginning April 1 and ending October 31 of a year. In the case of a natural disaster, the Secretary may permit unlimited haying and grazing on such acreage.

"(d) In addition to any other remedy prescribed by law, the Secretary may reduce or terminate the amount of cropland base and allotment history preserved pursuant to subsection (c) for acreage with respect to which a violation of a term or condition occurs.".

SEC. 1437. STUDY OF LAND USE FOR EXPIRING CONTRACTS AND EXTENSION OF AUTHORITY.

(a) IN GENERAL.—The Secretary of Agriculture shall conduct a study of cropland subject to expiring conservation reserve contracts entered into prior to the date of enactment of this Act under subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.). Such study shall include the consideration of—

(1) the environmental benefits of such lands that remain out of crop production as compared to the economic benefits that would result from returning such lands to production under adequate stewardship and management;

(2) the renewal of the contracts in a manner that allows for certain sustainable economic uses of cropland in return for lower rental payments;

(3) the purchase of permanent easements permitting specified economic uses of cropland subject to the contracts;

(4) the purchase of the cropland subject to the contracts;

(5) the preservation of crop acreage bases associated with cropland subject to the contracts if the owner or operator continues to devote the cropland to conserving uses;

(6) the purchase of crop acreage bases associated with cropland subject to the contracts; and

(7) the expiration of the contracts.

(b) Report.—Not later than December 31, 1993, the Secretary of Agriculture shall prepare and submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report concerning the results of the study conducted under subsection (a) and recommendations concerning the treatment of lands subject to expiring contracts under subtitle D of title XII of the Food Security Act of 1985, proposed legislation addressing the treatment of such lands, and the projected cost of such treatment.

(c) Extensions.—During the 1996 through 2000 calendar years, the Secretary of Agriculture may—

(1) extend up to 10 years contracts entered into under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831) prior to the date of enactment of this Act; or

(2) purchase long-term or permanent easements as provided for in chapter 3;

at the option of the owner or operator on land that the Secretary has determined under the study conducted under subsection (a) should remain in conserving uses.

SEC. 1438. WETLANDS RESERVE PROGRAM.

Subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) is amended by adding after section 1236 the following new subchapter:

"Subchapter C—Wetlands Reserve Program

"SEC. 1237. WETLANDS RESERVE PROGRAM.

"(a) Establishment.—The Secretary shall establish a wetlands reserve program to assist owners of eligible lands in restoring and protecting wetlands.

"(b) Number of Acres.—To the extent practicable, the Secretary shall attempt to enroll into the wetlands reserve program, 1,000,000 acres of land during the 1991 through 1995 calendar years; except that the Secretary may not enroll more than 200,000 acres in 1991, 400,000 acres in the 1991 to 1992 period, 600,000 acres in the 1991 to 1993 period, 800,000 acres in the 1991 to 1994 period, and 1,000,000 acres in the 1991 to 1995 period.

"(c) Eligibility.—For purposes of enrolling land in the wetland reserve established under this subchapter during the 1991 through 1995 calendar years, land shall be eligible to be placed into such reserve if the Secretary, in consultation with the Secretary of the Interior at the local level, determines that—

"(1) such land is farmed wetland or converted wetland, together with adjacent lands that are functionally dependent on such wetlands, except that converted wetlands where the conversion was not commenced prior to December 23, 1985, shall not be eligible to be enrolled in the program under this section; and

"(2) the likelihood of the successful restoration of such land and the resultant wetland values merit inclusion of such land

in the program taking into consideration the cost of such restoration.

"(d) OTHER ELIGIBLE LAND.—The Secretary may include in the wetland reserve established under this subchapter, together with land that is eligible under subsection (d)—

"(1) farmed wetland and adjoining lands, enrolled in the conservation reserve, with the highest wetland functions and values, and that are likely to return to production after they leave the conservation reserve;

"(2) other wetland of an owner that would not otherwise be eligible if the Secretary determines that the inclusion of such wetland in such easement would significantly add to the functional value of the easement; and

"(3) riparian areas that link wetlands that are protected by easements or some other device or circumstance that achieves the same purpose as an easement.

"(e) INELIGIBLE LAND.—The Secretary may not acquire easements on—

"(1) land that contains timber stands established under the conservation reserve under subchapter B; or

"(2) pasture land established to trees under the conservation reserve under subchapter B.

"(f) TERMINATION OF EXISTING CONTRACT.—The Secretary may terminate or modify an existing contract entered into under section 1231(a) if eligible land that is subject to such contract is transferred into the program established by this subchapter.

"(g) EASEMENTS.—The Secretary shall enroll lands in the wetland reserve through the purchase of easements as provided for in section 1237A.

"SEC. 1237A. EASEMENTS.

"(a) IN GENERAL.—To be eligible to place land into the wetland reserve under this subchapter, the owner of such land shall enter into an agreement with the Secretary—

"(1) to grant an easement on such land to the Secretary;

"(2) to implement a wetland easement conservation plan as provided for in this section;

"(3) to create and record an appropriate deed restriction in accordance with applicable State law to reflect the easement agreed to under this subchapter with respect to such lands; and

"(4) to provide a written statement of consent to such easement signed by those holding a security interest in the land.

"(b) TERMS OF EASEMENT.—An owner granting an easement under subsection (a) shall be required to provide for the restoration and protection of the functional values of wetland pursuant to a wetland easement conservation plan that—

"(1) permits—

"(A) repairs, improvements, and inspections on such land that are necessary to maintain existing public drainage systems if such land is subsequently restored to the condition required by the terms of the easement; and

"(B) landowners to control public access on the easement areas while identifying access routes to be used for wetland

restoration activities and management and easement monitoring;

"(2) prohibits—

"(A) the alteration of wildlife habitat and other natural features of such land, unless specifically permitted by the plan;

"(B) the spraying of such land with chemicals or the mowing of such land, except where such spraying or mowing is permitted by the plan or is necessary—

"(i) to comply with Federal or State noxious weed control laws; or

"(ii) to comply with a Federal or State emergency pest treatment program; and

"(C) any activities to be carried out on such participating landowner's or successor's land that is immediately adjacent to, and functionally related to, the land that is subject to the easement if such activities will alter, degrade, or otherwise diminish the functional value of the eligible land; and

"(D) the adoption of any other practice that would tend to defeat the purposes of this subchapter, as determined by the Secretary;

"(3) provides for the efficient and effective restoration of the functional values of wetlands; and

"(4) includes such additional provisions as the Secretary determines are desirable to carry out this subchapter or to facilitate the practical administration thereof.

"(c) RESTORATION PLANS.—

"(1) PLANS.—The development of restoration plans under this section shall be made through the agreement of the local representative of the Soil Conservation Service and a representative of the Fish and Wildlife Service. If agreement cannot be reached at the local level under the preceding sentence within a reasonable period of time, such plans shall be referred to the State Conservationist, who in developing such plans under this paragraph, shall consult with the Fish and Wildlife Service.

"(2) REPORT.—The State Conservationist and a representative of the Fish and Wildlife Service shall report to their respective national offices concerning all plans developed under paragraph (1) at the State level as a result of an agreement not being reached at the local level.

"(d) COMPATIBLE USES.—Wetland reserve program lands may be used for compatible economic uses, including such activities as hunting and fishing, managed timber harvest, or periodic haying or grazing, if such use is specifically permitted by the plan and consistent with the long-term protection and enhancement of the wetlands resources for which the easement was established.

"(e) TYPE AND LENGTH OF EASEMENT.—A conservation easement granted under this section—

"(1) shall be in a recordable form; and

"(2) shall be for 30 years, permanent, or the maximum duration allowed under applicable State laws.

"(f) COMPENSATION.—Compensation for easements acquired by the Secretary under this subchapter shall be made in cash in such

amount as is agreed to and specified in the easement agreement, but not to exceed the fair market value of the land less the fair market value of such land encumbered by the easement. Lands may be enrolled through the submission of bids under a procedure established by the Secretary. Compensation may be provided in not less than 5 nor more than 20 annual payments of either equal or unequal size, except in the case of a permanent easement, a single lump-sum payment may be provided, as agreed on by the owner and the Secretary.

"(g) VIOLATION.—On the violation of the terms or conditions of the easement or related agreement entered into under subsection (a), the easement shall remain in force and the Secretary may require the owner to refund all or part of any payments received by the owner under this subchapter, together with interest thereon as determined appropriate by the Secretary.

"SEC. 1237B. DUTIES OF OWNERS.

"Under the terms of an agreement entered into under this subchapter, an owner and operator of the land that is subject to an easement under this subchapter shall agree to comply with the terms of the easement and related agreements and shall agree to the permanent retirement of any existing cropland base and allotment history for such land under any program administered by the Secretary.

"SEC. 1237C. DUTIES OF THE SECRETARY.

"(a) IN GENERAL.—In return for the granting of an easement by an owner under this subchapter, the Secretary shall—

"(1) share the cost of carrying out the establishment of conservation measures and practices, and the protection of the wetland functions and values, as set forth in the plan to the extent that the Secretary determines that cost sharing is appropriate and in the public interest; and

"(2) provide necessary technical assistance to assist owners in complying with the terms and conditions of the easement and the plan.

"(b) COST SHARE ASSISTANCE.—In making cost share payments under subsection (a)(1), the Secretary shall pay the owner an amount that is not less than 50 percent but not more than 75 percent of eligible costs with respect to an easement which is not permanent, and not less than 75 percent but not more than 100 percent of eligible costs with respect to a permanent easement.

"(c) ACCEPTABILITY OF OFFERS.—In determining the acceptability of easement offers, the Secretary may take into consideration—

"(1) the extent to which the purposes of the easement program would be achieved on the land;

"(2) the productivity of the land; and

"(3) the on-farm and off-farm environmental threats if the land is used for the production of agricultural commodities.

"(d) EASEMENT PRIORITY.—In carrying out this subchapter, to the extent practicable, taking into consideration costs and future agricultural and food needs, the Secretary shall give priority to obtaining permanent conservation easements before shorter term conservation easements and, in consultation with the Secretary of the Interior, shall place priority on acquiring easements based on the value of

the easement for protecting and enhancing habitat for migratory birds and other wildlife.

"SEC. 1237D. PAYMENTS.

"(a) TIME OF PAYMENT.—The Secretary shall provide payment for obligations incurred by the Secretary under this subchapter—

"(1) with respect to any cost sharing obligation as soon as possible after the obligation is incurred; and

"(2) with respect to any annual easement payment obligation incurred by the Secretary as soon as possible after October 1 of each calendar year.

"(b) PAYMENTS TO OTHERS.—If an owner who is entitled to a payment under this subchapter dies, becomes incompetent, is otherwise unable to receive such payment, or is succeeded by another person who renders or completes the required performance, the Secretary shall make such payment, in accordance with regulations prescribed by the Secretary and without regard to any other provision of law, in such manner as the Secretary determines is fair and reasonable in light of all of the circumstances.

"(c) PAYMENT LIMITATION.—

"(1) IN GENERAL.—The total amount of easement payments made to a person under this subchapter for any year may not exceed $50,000, except such limitation shall not apply with respect to payments for perpetual easements.

"(2) REGULATIONS.—The Secretary shall issue regulations prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitation contained in this subsection.

"(3) OTHER PAYMENTS.—Easement payments received by an owner shall be in addition to, and not affect, the total amount of payments that such owner is otherwise eligible to receive under this Act, the Food, Agriculture, Conservation, and Trade Act of 1990, or the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.).

"(4) STATE WETLAND AND ENVIRONMENTAL ENHANCEMENT.—The provisions of this subsection that limit payments to any person, and section 1305(d) of the Agricultural Reconciliation Act of 1987 (7 U.S.C. 1308 note), shall not be applicable to payments received by a State, political subdivision, or agency thereof in connection with agreements entered into under a special wetland and environmental easement enhancement program carried out by that entity that has been approved by the Secretary. The Secretary may enter into such agreements for payments to States, political subdivisions, or agencies thereof that the Secretary determines will advance the purposes of this subchapter.

"(d) EXEMPTION FROM AUTOMATIC SEQUESTER.—Notwithstanding any other provision of law, no order issued under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended (2 U.S.C. 902) shall affect any payment under this subchapter.

"SEC. 1237E. CHANGES IN OWNERSHIP; AGREEMENT MODIFICATION; TERMINATION.

"(a) LIMITATIONS.—No easement shall be created under this subchapter on land that has changed ownership in the preceding 12 months unless—

"(1) the new ownership was acquired by will or succession as a result of the death of the previous owner;

"(2) the new ownership was acquired before January 1, 1990; or

"(3) the Secretary determines that the land was acquired under circumstances that give adequate assurances that such land was not acquired for the purposes of placing it in the program established by this subchapter.

"(b) MODIFICATION; TERMINATION.—

"(1) MODIFICATION.—The Secretary may modify an easement acquired from, or a related agreement with, an owner under this subchapter if—

"(A) the current owner agrees to such modification; and

"(B) the Secretary determines that such modification is desirable—

"(i) to carry out this subchapter;

"(ii) to facilitate the practical administration of this subchapter; or

"(iii) to achieve such other goals as the Secretary determines are appropriate and consistent with this subchapter.

"(2) TERMINATION.—

"(A) IN GENERAL.—The Secretary may terminate an easement created with an owner under this subchapter if—

"(i) the current owner agrees to such termination; and

"(ii) the Secretary determines that such termination would be in the public interest.

"(B) NOTICE.—At least 90 days before taking any action to terminate under paragraph (A) all easements entered into under this subchapter, the Secretary shall provide written notice of such action to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"SEC. 1237F. ADMINISTRATION, AND FUNDING.

"(a) DELEGATION OF EASEMENT ADMINISTRATION.—The Secretary may delegate any of the easement management, monitoring, and enforcement responsibilities of the Secretary to Federal or State agencies that have the appropriate authority, expertise, and resources necessary to carry out such delegated responsibilities.

"(b) REGULATIONS.—Not later than 180 days after the date of enactment of this subchapter, the Secretary shall issue such regulations as are necessary to carry out this subchapter.".

SEC. 1439. AGRICULTURAL WATER QUALITY INCENTIVES.

Subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) (as amended by section 1438) is further amended by adding after section 1237F the following new chapter:

"CHAPTER 2—AGRICULTURAL WATER QUALITY INCENTIVES

"SEC. 1238. POLICY.

"The policy of Congress is that water quality protection, including source reduction of agricultural pollutants, henceforth shall be an important goal of the programs and policies of the Department of Agriculture. Furthermore, agricultural producers in environmentally sensitive areas should request assistance to develop and implement on-farm water quality protection plans in order to assist in compliance with State and Federal environmental laws and to enhance the environment.

"SEC. 1238A. DEFINITIONS.

"As used in this chapter—

"(1) AGRICULTURAL WATER QUALITY PROTECTION PRACTICE.—The term 'agricultural water quality protection practice' means a farm-level practice or a system of practices designed to protect water quality by mitigating or reducing the release of agricultural pollutants, including nutrients, pesticides, animal waste, sediment, salts, biological contaminants, and other materials, into the environment.

"(2) SOURCE REDUCTION.—The term 'source reduction' means minimizing the generation, emission, or discharge of agricultural pollutants or wastes through the modification of agricultural production systems and practices.

"SEC. 1238B. AGRICULTURAL WATER QUALITY PROTECTION PROGRAM.

"(a) INCENTIVES.—

"(1) IN GENERAL.—During the 1991 through 1995 calendar years, the Secretary shall formulate and carry out a voluntary incentive program, in accordance with this chapter, through agreements to assist owners and operators of a farm in developing and implementing a water quality protection plan pursuant to this section.

"(2) AGREEMENTS.—The Secretary shall enter into agreements of 3 to 5 years upon the request of owners and operators of farms in eligible areas but shall not enter into any such agreements after December 31, 1995.

"(3) DUTIES OF OWNERS AND OPERATORS.—In order to receive annual incentive payments, an owner or operator of a farm must agree—

"(A) to implement a water quality protection plan approved by the Secretary subject to the agreement established under this chapter;

"(B) not to conduct any practices on the farm that would tend to defeat the purposes of this chapter;

"(C) to comply with such additional provisions as the Secretary determines are desirable and are included in the agreement to carry out the water quality protection plan or to facilitate the practical administration of the program;

"(D) on the violation of a term or condition of the agreement at any time the owner or operator has control of the land to refund any incentive or cost share payment received with interest and forfeit any such future payments as determined by the Secretary;

"(E) on the transfer of the right and interest of the owner or operator in land subject to the agreement, unless the transferee of such right and interest agrees with the Secretary to assume all obligations of the agreement, to refund any such cost share and incentive payments received under this chapter, as determined by the Secretary;

"(F) to accurately report nutrient, pesticide and animal waste materials usage rates on management areas for three previous years; and

"(G) to supply production evidence, well test results, soil tests, tissue tests, nutrient application levels, pesticide application levels, and animal waste material usage levels, to the Soil Conservation Service or another designee of the Secretary including the local conservation district for each year of the agreement, as determined necessary by the Secretary.

"(4) WETLAND OR WILDLIFE HABITAT OPTIONS.—

"(A) COST SHARE ASSISTANCE.—Owners and operators who voluntarily agree to develop and implement agricultural production practices, in concert with their water quality protection plan, that preserve and enhance wetland or wildlife habitat, shall also be eligible to receive cost share assistance for the implementation of such practices. The Secretary shall develop procedures for approving such agricultural practices, as a part of and consistent with the objectives of the water quality protection plan, that qualify for cost share assistance.

"(B) WETLAND PRESERVATION AND WILDLIFE HABITAT IMPROVEMENT OPTIONS.—

"(i) WETLAND PRESERVATION.—The Secretary shall encourage owners and operators who choose the wetland preservation option to implement, improve and maintain agricultural production practices, in concert with their water quality protection plan, that are designed to preserve and enhance existing wetland.

"(ii) WILDLIFE HABITAT IMPROVEMENT.—The Secretary shall encourage owners and operators who choose the wildlife habitat improvement option to implement, improve and maintain agricultural production practices, in concert with their water quality protection plan, that are designed to improve on-farm wildlife habitat, including the establishment of perennial cover, the protection of riparian areas, wildlife corridors, and areas of critical habitat for endangered species.

"(5) DUTIES OF THE SECRETARY.—In return for an incentive agreement voluntarily entered into under this chapter, the Secretary shall assist the owner or operator in the protection and improvement of surface and groundwater quality and related resources by—

"(A) providing an eligibility assessment of the farming operation as a basis for developing the water quality protection plan and any options associated with such plan;

"(B) providing technical assistance in developing and implementing agricultural water quality protection plans;

"(C) providing an annual incentive payment for developing and implementing agricultural production practices in accordance with an approved water quality protection plan submitted by the owner or operator;

"(D) providing cost share assistance for implementing the wetland preservation or wildlife habitat improvement options;

"(E) providing participants with information, education, and training to aid in implementation of a plan; and

"(F) encouraging the owner or operator to obtain cost share assistance under other Federal, State, or local cost share programs.

"(6) PAYMENTS.—

"(A) TERMS.—Payments shall be made under this section for a period of not less than 3 nor more than 5 years, as determined appropriate by the Secretary, and as specified in the contract entered into under the program established under this chapter.

"(B) AMOUNTS.—

"(i) INCENTIVE.—In determining the amount of incentive payment to be made to a participant under this chapter, the Secretary shall consider, among other things, the amount necessary on a per acre basis to encourage producers to participate, additional costs incurred by the producer, and the production values forgone, if any, in implementing the practices.

"(ii) LIMITATION.—Cost share payments shall be made in an amount not to exceed 50 percent of the cost of the eligible practice.

"(C) LIMITATIONS.—Payments to a participant agreeing to implement a plan on acres devoted to the production of an agricultural commodity under this chapter shall not exceed—

"(i) $3500 per person per year in the form of incentive payments; and

"(ii) not more than an additional $1500 per person per contract in the form of cost share assistance.

"(D) MANNER.—The Secretary may make a lump sum payment to an owner or operator of the total incentive payments required under a contract entered into under this chapter, as reduced to present value, if such lump sum payment is necessary to enable the producer to pay the initial costs of implementing a practice required under such contract.

"(E) OTHER PROGRAMS.—Payments received by an owner or operator under this chapter shall be in addition to, and not affect, the total amount of payments that such owner or operator is otherwise eligible to receive under this Act, the Food, Agriculture, Conservation, and Trade Act of 1990, or the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.), except that payments for a practice or practices shall not be made under this chapter if payments or assistance is provided for such practice under any other Federal program.

"(7) MODIFICATIONS.—*The Secretary may modify an agreement entered into with a participant under this chapter if the participant agrees to such modification and the Secretary determines such modifications are desirable—*

"(A) to carry out this chapter;

"(B) if natural causes prevent the implementation, improvement or maintenance of practices as required under such contract;

"(C) if the contract cannot be carried out without economic losses that threaten the viability of the farming operation;

"(D) if the owner or operator and the Secretary agree on contract modifications that will not compromise the water quality goals and objectives in the existing contract and that will be no less effective or timely in achieving such goals and objectives than the existing contract;

"(E) to facilitate the practical administration of this chapter; or

"(F) to achieve such other goals as the Secretary determines are appropriate, consistent with this chapter.

"(8) TERMINATION.—*The Secretary may terminate an agreement entered into with a participant under this chapter if—*

"(A)(i) the producer agrees to such termination; or

"(ii) the producer violates the terms and conditions of the agreement; and

"(B) the Secretary determines that such termination would be in the public interest.

"(9) REFUNDS.—*The Secretary shall obtain refunds of incentive and cost share payments with interest, to the extent determined by the Secretary to be in the public interest, if an agreement is terminated or violated.*

"(10) BASE AND YIELD PROTECTION.—*An owner or operator agreeing to implement an approved water quality protection plan pursuant to this chapter shall, by regulations established by the Secretary, receive program payment yield and base protection on the farm during the agreement period.*

"(11) ACREAGE LEVELS.—*The Secretary shall, to the extent practicable, seek to enter into agreements with participants to place into the program a total of 10 million acres during the 1991 through 1995 calendar years.*

"(b) CONTENT OF PLANS.—*Agricultural water quality protection plans should include as applicable—*

"(1) a description of the prevailing farm enterprises, cropping patterns, and cultural practices, and other information that may be relevant to protecting water quality on the farm;

"(2) a description of farm resources, including soil characteristics, proximity to water bodies, and other relevant characteristics of the farm related to water quality;

"(3) to the extent practicable, specific, quantitative water quality protection goals and objectives that will minimize contamination or degradation of surface or ground water;

"(4) water quality protection practices that will, if implemented by a producer, assist such producer in complying with State and Federal environmental laws, and where appropriate, will

complement conservation plans prepared for highly erodible lands under section 1212 of the Food Security Act of 1985 (16 U.S.C. 3812);

"(5) the specific agricultural production practices that will be implemented, improved and maintained, including practices that ensure continued farm productivity and profitability by promoting the efficient use of fertilizers, other crop nutrients, and pesticides, as well as management practices that are to be avoided, in order to carry out and achieve the water quality goals and objectives of the producer;

"(6) to the extent practicable, water quality protection practices for safe storage, mixing and loading of pesticides and fertilizers, and storage and handling of animal waste;

"(7) the timing and sequence for implementing such practices that will assist the producer in complying with State and Federal environmental laws, taking into consideration schedules that may be established in such laws;

"(8) information that will enable evaluation of the effectiveness of the plan in protecting water quality; and

"(9) recommendations of application rates and disposal methods of nutrients, pesticides, and animal waste materials as recommended by the Secretary.

"(c) PLAN DEVELOPMENT.—The Secretary, acting through the Assistant Secretary for Natural Resources and Environment, shall establish a procedure to enable agricultural producers to develop agricultural water quality protection plans pursuant to this section.

"(d) PROTECTION OF CONFIDENTIALITY.—The Secretary shall protect the confidentiality of the information contained in these plans to the extent confidentiality is provided under current law to information contained in conservation plans under section 1212. The Secretary shall provide notice to producers that information contained in the plans developed under this subsection will be available to the public upon request.

"(e) ACCEPTANCE OF CONTRACTS.—The Secretary shall begin accepting contracts within one year after the date of enactment of this chapter.

"(f) FEDERAL OR STATE PROVISIONS.—Acceptance of an agreement under this section or receipt of assistance pursuant to section 1238D shall not be deemed to satisfy the requirements of any State or Federal law.

"SEC. 1238C. ELIGIBLE LANDS.

"(a) ELIGIBLE LANDS.—Lands eligible for enrollment in the program pursuant to section 1238B or for technical assistance pursuant to section 1238D shall include—

"(1) areas that are not more than 1,000 feet from a public well unless a larger wellhead area is deemed desirable for inclusion by the Secretary in consultation with the Environmental Protection Agency and the State agency responsible for the State's operations under the Safe Drinking Water Act (42 U.S.C. 300h-7);

"(2) areas that are in shallow Karst topography areas where sinkholes convey runoff water directly into ground water;

"(3) areas that are considered to be critical cropland areas within hydrologic units identified in a plan submitted by the State under section 319 of the Federal Water Pollution Control Act (33 U.S.C. 1329) as having priority problems that result from agricultural nonpoint sources of pollution;

"(4) areas where agricultural nonpoint sources have been determined to pose a significant threat to habitat utilized by threatened and endangered species;

"(5) areas recommended by State lead agencies for environmental protection as designated by a Governor of a State;

"(6) in consultation with the Secretary, other areas recommended by the Administrator of the Environmental Protection Agency or the Secretary of the Interior;

"(7) lands that are not located within the designated or approved areas but that are located such that if permitted to continue to operate under existing management practices would defeat the purpose of the program as determined by the Secretary; or

"(8) areas contributing to identified water quality problems in areas designated by the Secretary.

"(b) PRIORITY LANDS.—In accepting agreements pursuant to this section and providing assistance pursuant to section 1238D, the Secretary shall give priority to lands on which agricultural production has been determined to contribute to, or creates, the potential for failure to meet applicable water quality standards or the goals and requirements of Federal or State laws governing surface and ground water quality, in consultation with State officials having responsibility for monitoring and protecting water quality, the management of which provide the greatest public benefit as determined by the Secretary.

"SEC. 1238D. TECHNICAL ASSISTANCE FOR WATER QUALITY PROTECTION.

"(a) IN GENERAL.—Upon request, the Secretary shall provide technical assistance to agricultural producers on eligible lands to assist such producers in developing and implementing agricultural water quality protection plans.

"(b) FIELD OFFICE TECHNICAL GUIDANCE FOR WATER QUALITY PROTECTION.—

"(1) DEVELOPMENT.—The Secretary shall develop guidance materials describing a process to assist agricultural producers in preparing and implementing on-farm agricultural water quality protection plans necessary to assist in complying with State and Federal environmental laws, and to implement the agricultural water quality protection policy established by this chapter.

"(2) CONTENT.—The guidance materials required under this subsection shall reflect local agronomic, economic and ecological conditions to the extent practicable, and include and describe in detail—

"(A) procedures to identify potential sources of pollution on a farm;

"(B) to the extent practicable, a range of water quality protection practices, and their economic cost and benefit, that is suitable to local ecological characteristics and pre-

vailing farm enterprises and that complement conservation plans prepared for highly erodible lands under section 1212 of the Food Security Act of 1985 (16 U.S.C. 3812);

"(C) storage, mixing, and loading practices for on-farm pesticide and fertilizer use to protect water quality;

"(D) information regarding relevant State and Federal environmental laws that may impact upon the producer;

"(E) criteria to evaluate the effectiveness of on-farm plans in protecting water quality and provide aggregate data to aid in evaluating compliance with State and Federal environmental laws; and

"(F) means to evaluate the economic costs and benefits of agricultural water quality protection practices, including source reduction practices.

"(3) DEADLINE.—Local guidance materials shall be developed no later than two years after the date of enactment of this chapter and up-dated periodically, but not less than every two years.

"(4) CONSULTATION.—The Secretary shall consult with the Administrator of the Environmental Protection Agency, the Secretary of the Interior, and relevant State agencies in developing guidance materials under this section to ensure that such materials contain accurate and up-to-date technical information on practices designed to protect water quality.

"(c) PERSONNEL.—The Secretary shall designate the Soil Conservation Service as the lead agency for purposes of providing technical assistance in connection with implementing this chapter, and shall assign such personnel from the Extension Service, Agricultural Research Service, and other agencies as are necessary to fulfill the purposes of this chapter. The Secretary may request the services of the State water quality agencies, State fish and wildlife agencies, State forestry agencies, or any other source deemed appropriate to assist in providing the technical assistance necessary for the development and implementation of the water quality protection plans.

"(d) LIMITATION OF LIABILITY.—No person shall be permitted to bring or pursue any claim or action against any official or entity based upon or resulting from any technical assistance provided to assist in complying with State or Federal environmental laws under subsection (b)(1) of this section.

"SEC. 1238E. DEMONSTRATION AND PILOT PROGRAMS.

"(a) DEMONSTRATION AND MODEL FARM PROGRAMS.—To the extent practicable and consistent with the requirements of the program established under this chapter and the priority described in section 1238C(b), the Secretary may enter into contracts under this chapter with owners and operators to facilitate the participation by such owners or operators in demonstration or model farm programs that are sponsored by governmental or private nonprofit entities and are designed to provide education on, disseminate information about, and demonstrate the practical application of agricultural production practices that reduce the potential for contamination or degradation of surface water or ground water while emphasizing practices that enhance profitability and productivity.

"(b) PILOT PROGRAMS.—To complement and enhance the effectiveness of the program established under this chapter, the Secretary

may establish pilot programs, for implementation in areas determined to be priority areas under section 1238C(b), that shall be designed to provide assistance to address a wide range of farming operations and production conditions that enhance the efficient use of farm inputs and reduce waste.".

"SEC. 1238F. REPORT TO CONGRESS.

"Not later than September 30, 1992, the Secretary shall provide to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate an interim report describing the degree of participation in the planning process and program established in this subtitle, including the number of plans that have been prepared, information on the number of plans that are in implementation, including the number and acreage of farms engaged in planning by type of environmentally sensitive area, information relevant for evaluating the effectiveness of agricultural water quality plans in protecting water quality, and other information pertinent to implementation of this chapter. A final report shall be submitted no later than September 30, 1994.".

SEC. 1440. ENVIRONMENTAL EASEMENT PROGRAM.

Subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) (as amended by section 1439) is further amended by adding after section 1238F the following new chapter:

"CHAPTER 3—ENVIRONMENTAL EASEMENT PROGRAM

"SEC. 1239. ENVIRONMENTAL EASEMENT PROGRAM.

"(a) ESTABLISHMENT.—The Secretary shall, during the 1991 through 1995 calendar years, formulate and carry out an environmental easement program (hereafter in this chapter referred to as the 'easement program') in accordance with this chapter, through the acquisition of permanent easements or easements for the maximum term permitted under applicable State law from willing owners of eligible farms or ranches in order to ensure the continued long-term protection of environmentally sensitive lands or reduction in the degradation of water quality on such farms or ranches through the continued conservation and improvement of soil and water resources.

"(b) ELIGIBILITY; TERMINATION.—

"(1) IN GENERAL.—The Secretary may acquire easements under this section on land placed in the conservation reserve under this subtitle (other than such land that is likely to continue to remain out of production and that does not pose an off-farm environmental threat), land under the Water Bank Act (16 U.S.C. 1301), or other cropland that—

"(A) contains riparian corridors,

"(B) is an area of critical habitat for wildlife, especially threatened or endangered species; or

"(C) contains other environmentally sensitive areas, as determined by the Secretary, that would prevent a producer from complying with other Federal, State, or local environmental goals if commodities were to be produced on such land.

"(2) INELIGIBLE LAND.—The Secretary may not acquire easements on—

"(A) land that contains timber stands established under the conservation reserve under subtitle D; or

"(B) pasture land established to trees under the conservation reserve under subtitle D.

"(3) TERMINATION OF EXISTING CONTRACT.—The Secretary may terminate or modify any existing contract entered into under section 1231(a) if eligible land that is subject to such contract is transferred into the program established by this chapter.

"SEC. 1239A. DUTIES OF OWNERS; COMPONENTS OF PLAN.

"(a) DUTIES OF OWNERS.—

"(1) PLAN.—In conjunction with the creation of an easement on any lands under this chapter, the owner of the farm or ranch wherein such lands are located must agree to implement a natural resource conservation management plan under subsection (b) approved by the Secretary in consultation with the Secretary of the Interior.

"(2) AGREEMENT.—In return for the creation of an easement on any lands under this chapter, the owner of the farm or ranch wherein such lands are located must agree to the following:

"(A) To the creation and recordation of an appropriate deed restriction in accordance with applicable State law to reflect the easement agreed to under this chapter with respect to such lands.

"(B) To provide a written statement of consent to such easement signed by those holding a security interest in the land.

"(C) To comply with such additional provisions as the Secretary determines are desirable and are included in the easement to carry out this chapter or to facilitate the practical administration thereof.

"(D) To specify the location of any timber harvesting on land subject to the easement. Harvesting and commercial sales of Christmas trees and nuts shall be prohibited on such land, except that no such easement or related agreement shall prohibit activities consistent with customary forestry practices, such as pruning, thinning, or tree stand improvement on lands converted to forestry uses.

"(E) To limit the production of any agricultural commodity on such lands only to production for the benefit of wildlife.

"(F) Not to conduct any harvesting or grazing, nor otherwise make commercial use of the forage, on land that is subject to the easement unless specifically provided for in the easement or related agreement.

"(G) Not to adopt any other practice that would tend to defeat the purposes of this chapter, as determined by the Secretary.

"(3) VIOLATION.—On the violation of the terms or conditions of the easement or related agreement entered into under this

section, the easement shall remain in force and the Secretary may require the owner to refund all or part of any payments received by the owner under this chapter, together with interest thereon as determined appropriate by the Secretary.

"(b) COMPONENTS OF PLAN.—The natural resource conservation management plan referred to in subsection (a)(1), (hereafter referred to as the 'plan')—

"(1) shall set forth—

"(A) the conservation measures and practices to be carried out by the owner of the land subject to the easement; and

"(B) the commercial use, if any, to be permitted on such land during the term of the easement; and

"(2) shall provide for the permanent retirement of any existing cropland base and allotment history for such land under any program administered by the Secretary.

"SEC. 1239B. DUTIES OF THE SECRETARY.

"In return for the granting of an easement by an owner under this chapter, the Secretary shall—

"(1) share the cost of carrying out the establishment of conservation measures and practices set forth in the plan for which the Secretary determines that cost sharing is appropriate and in the public interest;

"(2) pay for a period not to exceed 10 years annual easement payments in the aggregate not to exceed the lesser of—

"(A) $250,000; or

"(B) the difference in the value of the land with and without an easement;

"(3) provide necessary technical assistance to assist owners in complying with the terms and conditions of the easement and the plan; and

"(4) permit the land to be used for wildlife activities, including hunting and fishing, if such use is permitted by the owner.

"SEC. 1239C. PAYMENTS.

"(a) TIME OF PAYMENT.—The Secretary shall provide payment for obligations incurred by the Secretary under this chapter—

"(1) with respect to any cost sharing obligation as soon as possible after the obligation is incurred; and

"(2) with respect to any annual easement payment obligation incurred by the Secretary as soon as possible after October 1 of each calendar year.

"(b) COST SHARING PAYMENTS.—In making cost sharing payments to owners under this chapter, the Secretary may pay up to 100 percent of the cost of establishing conservation measures and practices pursuant to this chapter.

"(c) EASEMENT PAYMENTS; ACCEPTABILITY OF OFFERS.—

"(1) DETERMINATION OF AMOUNT.—The Secretary shall determine the amount payable to owners in the form of easement payments under this chapter, and in making such determination may consider, among other things, the amount necessary to encourage owners to participate in the easement program.

"(2) ACCEPTABILITY OF OFFERS.—In determining the acceptability of easement offers, the Secretary may take into consideration—

"(A) the extent to which the purposes of the easement program would be achieved on the land;

"(B) the productivity of the land; and

"(C) the on-farm and off-farm environmental threats if the land is used for the production of agricultural commodities.

"(d) FORM OF PAYMENT.—Except as otherwise provided in this section, payments under this chapter—

"(1) shall be made in cash in such amount and at such time as is agreed on and specified in the easement or related agreement; and

"(2) may be made in advance of a determination of performance.

"(e) PAYMENTS TO OTHERS.—If an owner who is entitled to a payment under this chapter dies, becomes incompetent, is otherwise unable to receive such payment, or is succeeded by another person who renders or completes the required performance, the Secretary shall make such payment, in accordance with regulations prescribed by the Secretary and without regard to any other provision of law, in such manner as the Secretary determines is fair and reasonable in light of all of the circumstances.

"(f) PAYMENT LIMITATION.—

"(1) IN GENERAL.—The total amount of easement payments made to a person under this chapter for any year may not exceed $50,000.

"(2) REGULATIONS.—The Secretary shall issue regulations prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitation contained in this subsection.

"(3) OTHER PAYMENTS.—Easement payments received by an owner shall be in addition to, and not affect, the total amount of payments that such owner is otherwise eligible to receive under this Act, the Food, Agriculture, Conservation, and Trade Act of 1990, or the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.).

"(4) STATE ENVIRONMENTAL ENHANCEMENT.—The provisions of this subsection that limit payments to any person, and section 1305(d) of the Agricultural Reconciliation Act of 1987 (7 U.S.C. 1308 note), shall not be applicable to payments received by a State, political subdivision, or agency thereof in connection with agreements entered into under an environmental easement enhancement program carried out by that entity that has been approved by the Secretary. The Secretary may enter into such agreements for payments to States, political subdivisions, or agencies thereof that the Secretary determines will advance the purposes of this chapter.

"(g) EXEMPTION FROM AUTOMATIC SEQUESTER.—Notwithstanding any other provision of law, no order issued under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended (2 U.S.C. 902) shall affect any payment under this chapter.

"SEC. 1239D. CHANGES IN OWNERSHIP; MODIFICATION OF EASEMENT.

"(a) LIMITATIONS.—No easement shall be created under this chapter on land that has changed ownership in the preceding 12 months unless—

"(1) the new ownership was acquired by will or succession as a result of the death of the previous owner;

"(2) the new ownership was acquired before January 1, 1990; or

"(3) the Secretary determines that the land was acquired under circumstances that give adequate assurances that such land was not acquired for the purposes of placing it in the program established by this chapter.

"(b) MODIFICATION; TERMINATION.—

"(1) MODIFICATION.—The Secretary may modify an easement acquired from, or a related agreement with, an owner under this chapter if—

"(A) the current owner of the land agrees to such modification; and

"(B) the Secretary determines that such modification is desirable—

"(i) to carry out this chapter;

"(ii) to facilitate the practical administration of this chapter; or

"(iii) to achieve such other goals as the Secretary determines are appropriate and consistent with this chapter.

"(2) TERMINATION.—

"(A) IN GENERAL.—The Secretary may terminate an easement created with an owner under this chapter if—

"(i) the current owner of the land agrees to such termination; and

"(ii) the Secretary determines that such termination would be in the public interest.

"(B) NOTICE.—At least 90 days before taking any action to terminate under subparagraph (A) all easements entered into under this chapter, the Secretary shall provide written notice of such action to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.".

SEC. 1441. TREE PLANTING INITIATIVE.

(a) TREE PLANTING INITIATIVE.—Title XII of the Food Security Act of 1985 (16 U.S.C. 3801 et seq.) is amended by adding at the end of subtitle F the following new section:

"SEC. 1256. TREE PLANTING INITIATIVE.

"(a) MAINTENANCE, AFFORESTATION, AND REFORESTATION OF FOREST LANDS.—

"(1) POLICY.—It is the policy of the United States to—

"(A) promote the retention and management of lands currently in forest cover as forested lands;

"(B) provide for the reforestation of Federal, State, and private nonindustrial forest lands following timber harvest or loss of cover due to fire, insect damage, disease or damaging weather;

"(C) encourage the reforestation of previously forested lands and the afforestation of marginal agricultural lands; and

"(D) promote the planting of trees and the proper management of existing forest lands to reduce soil erosion, improve water quality, enhance fish and wildlife habitat, and provide for the sustained production of the commodity and noncommodity resources that these lands can provide to meet the Nation's needs.

"(2) IMPLEMENTATION OF POLICY.—The Secretary is encouraged to use the following programs to accomplish the policy identified in subsection (a)(1):

"(A) The conservation reserve established under subchapter B of chapter 1.

"(B) The agricultural conservation program authorized by sections 7 through 15, 16(a), 16(f), and 17 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g through 590o, 590p(a), 590p(f), and 590(g) and sections 1001 through 1008 and 1010 of the Agricultural Act of 1970 (16 U.S.C. 1501 through 1508 and 1510).

"(C) The Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103).

"(D) The provisions of title XII of the Food, Agriculture, Conservation, and Trade Act of 1990.

"(b) AGREEMENTS WITH STATE FORESTRY AGENCIES.—The Secretary shall encourage owners and operators of cropland who enter into agreements in accordance with this section to enlist the cooperative assistance of the State Forester or equivalent State official in obtaining technical and financial assistance for tree planting and maintenance activities in accordance with the provisions title XII of the Food, Agriculture, Conservation, and Trade Act of 1990.".

SEC. 1442. ADMINISTRATION OF CONSERVATION PROGRAMS.

Section 1243 of the Food Security Act of 1985 (16 U.S.C. 3843) is amended by adding at the end the following new subsections:

"(d) In making determinations under this title and in conducting appeals from any determination made under this title, the Secretary shall act as expeditiously as possible but shall provide adequate safeguards to protect the interests of the persons involved in such determination.

"(e) The Secretary shall maintain data concerning the number and status of appeals pending in excess of 120 days or resolved under this title.

"(f)(1) The Secretary shall not enroll more than a total of 25 percent of the cropland in any county into the Environmental Conservation Acreage Reserve Program under chapter 1 and the Environmental Easement Program under chapter 3, and not more than 10 percent of such cropland may be subject to an easement acquired under those chapters. The Secretary may exceed these limitations in a county to the extent that the Secretary determines that—

"(A) such action would not adversely affect the local economy of such county; and

"(B) producers in such county are having difficulties complying with conservation plans or other environmental requirements.

"(2) The limitations established under this subsection shall not apply to cropland that is subject to an easement under chapter 1 or chapter 3 that is used for the establishment of shelterbelts and windbreaks.

"(3) In making a determination under this subsection, the Secretary shall not require the written consent of a member of Congress.".

SEC. 1443. AUTHORIZATION OF APPROPRIATIONS.

Section 1245 of the Food Security Act of 1985 (16 U.S.C. 3845) is amended to read as follows:

"SEC. 1245. AUTHORIZATION OF APPROPRIATIONS.

"(a) ENVIRONMENTAL CONSERVATION ACREAGE RESERVE PROGRAM AND WATER QUALITY INCENTIVE PROGRAM.—There is authorized to be appropriated without fiscal year limitation such sums as may be necessary to carry out chapters 1 and 2 of subtitle D. Amounts available to carry out subtitle D before the date of enactment of this section shall remain available to carry out such chapters.

"(b) OTHER CONSERVATION MATTERS.—In addition to subsection (a), there is authorized to be appropriated without fiscal year limitation such sums as may be necessary to carry out subtitles (A) through (G), other than chapters 1 and 2 of subtitle D.".

SEC. 1444. MONITORING AND EVALUATION.

Subtitle E of title XII of the Food Security Act of 1985 (16 U.S.C. 3841 et seq.) is further amended by adding after section 1245 the following new section:

"SEC. 1246. MONITORING AND EVALUATION.

"(a) IN GENERAL.—Not later than June 30, 1993, the Secretary shall prepare and submit, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a comprehensive report that evaluates, in accordance with subsection (b), the programs and policies established and operated under this title.

"(b) REQUIREMENTS.—In conducting the evaluations required under subsection (a), the Secretary shall—

"(1) assess the progress made toward the national objective of nondegradation of the soil resources through the implementation of the relevant provisions of this title, identify obstacles to the attainment of such goal, and recommend ways in which to overcome such obstacles;

"(2) perform on-site evaluations of 5 percent, or such reasonable amount as necessary to produce a statistically valid survey, of all affected acreage of—

"(A) conservation practices on highly erodible lands;

"(B) estimates of erosion reductions that may result from the implementation of conservation plans; and

"(C) the technical adequacy and feasibility of such plans;

"(3) collect data concerning the social and economic impacts, violations, appeals, and such other matters under this title as the Secretary determines to be necessary to assess the overall impact of this title, which data collection shall not impose an *additional recordkeeping or reporting requirement on the producer; and*

"(4) assess the contribution toward the national objectives of wetlands preservation, wildlife and waterfowl habitat improvement, and water quality improvement through the implementation of the relevant provisions of this title, identify obstacles to furthering progress toward such objectives, and recommend ways in which to overcome such obstacles.".

SEC. 1445. ASSISTANCE FOR CONTROL OF THE SPREAD OF WEEDS AND PESTS.

Subtitle E of title XII of the Food Security Act of 1985 (16 U.S.C. 3841 et seq.) (as amended by section 1444) is further amended by inserting after section 1246 the following new section:

"SEC. 1247. ASSISTANCE FOR CONTROL OF THE SPREAD OF WEEDS AND PESTS.

"(a) IN GENERAL.—The Secretary, in consultation with State experiment stations, the Administrator of the Extension Service, the Chief of the Soil Conservation Service, and State pest and weed control boards, shall make available to owners and operators of land that is subject to a contract under subtitle D, weed and pest control technical information and materials that—

"(1) address common weed and pest problems and programs to control weeds and pests found on acreage enrolled in the conservation reserve; and

"(2) are otherwise consistent with maintaining the conservation and environmental objectives of the conservation reserve.

"(b) CONSERVATION MEASURE.—At the Secretary's discretion, the control of insect pests on conservation reserve acreage that is most likely to incur a crop pest infestation that adversely affects surrounding commercial land may be considered a conservation measure or practice for the purposes of subsection 1234(b).".

SEC. 1446. STATE TECHNICAL COMMITTEE.

Title XII of the Food Security Act of 1985 (16 U.S.C. 3801 et seq.) is amended by adding at the end the following new subtitle:

"Subtitle G—State Technical Committees

"SEC. 1261. ESTABLISHMENT.

"(a) IN GENERAL.—The Secretary shall establish in each State a technical committee to assist the Secretary in the technical considerations relating to implementation of the conservation provisions under this title.

"(b) STANDARDS.—Not later than 180 days after enactment of this section, the Secretary shall develop standards to be used by the State technical committee in the development of technical guidelines under section 1262(b) for the implementation of the conservation provisions of this title.

"(c) COMPOSITION.—Each State technical committee established under subsection (a) shall be composed of professional resource managers that represent a variety of disciplines in the soil, water, wetland, and wildlife sciences. Such committee shall include such representatives as may serve from among—

"(1) the Soil Conservation Service;

"(2) the Agricultural Stabilization and Conservation Service;

"(3) the Forest Service;

"(4) the Extension Service;

"(5) the Farmers Home Administration;

"(6) the Fish and Wildlife Service;

"(7) State departments and agencies which the Secretary deems appropriate, including:

"(A) the State fish and wildlife agency;

"(B) the State forester or equivalent State official;

"(C) the State water resources agency;

"(D) the State department of agriculture; and

"(E) the State association of soil and water conservation districts; and

"(8) other agency personnel with expertise in soil, water, wetland, and wildlife management as the Secretary determines appropriate.

"SEC. 1262. RESPONSIBILITIES.

"(a) IN GENERAL.—Each Committee established under section 1261 shall meet regularly to provide information, analysis, and recommendations to appropriate officials of the Department of Agriculture who are charged with implementing the conservation provisions of this title. Such information, analysis, and recommendations shall be provided in a manner that will assist the Department of Agriculture in determining matters of fact, technical merit, or scientific question. Data, analysis, and recommendations shall be provided in writing and shall reflect the best professional information and judgment of the Committee. The Secretary shall coordinate activities conducted under this section with those conducted under section 1628 of the Food, Agriculture, Conservation, and Trade Act of 1990.

"(b) WETLAND AND WILDLIFE HABITAT PROTECTION GUIDELINES.—

"(1) DEVELOPMENT OF TECHNICAL GUIDES.—Not later than one year after the date of enactment of this section each State technical committee shall develop technical guides for the implementation of the wetland preservation and wildlife habitat improvement options of the agricultural water quality protection program under section 1238B.

"(2) CONTENT OF GUIDES.—

"(A) IN GENERAL.—The technical guides required under this subsection shall include detailed information on the selection of crops and crop-plant varieties, cover crops, rotation practices, tillage systems, nutrient management, biological control practices (including biologically intensive integrated pest management practices), soil, water, and natural resource conservation, and other practices useful in developing practices pursuant to such option.

"(B) STANDARDS AND INSTRUCTIONS.—The technical guides required under subsection (a) shall provide standards and practical instructions for implementation of wetland protection and wildlife habitat improvement practices based on existing scientific and technical knowledge.

"(C) Contracts.—The Secretary may enter into contracts to assist in the development and periodic revision of the technical guides described in this subsection.

"(c) Other Duties.—Each technical committee shall provide assistance and offer recommendations with respect to the technical aspects of—

"(1) wetland protection, restoration, and mitigation requirements;

"(2) criteria to be used in evaluating bids for enrollment of environmentally-sensitive lands in the conservation reserve program;

"(3) guidelines for haying or grazing and the control of weeds to protect nesting wildlife on set-aside acreage;

"(4) highly erodible lands exemptions and appeals;

"(5) wetland and conservation compliance exemptions and appeals;

"(6) addressing common weed and pest problems and programs to control weeds and pests found on acreage enrolled in the conservation reserve program;

"(7) guidelines for planting perennial cover for water quality and wildlife habitat improvement on set-aside lands; and

"(8) other matters determined appropriate by the Secretary.

"(d) Authority.—Each Committee established under section 1261 is advisory and shall have no implementation or enforcement authority. However, the Secretary shall give strong consideration to the recommendations of such Committees in administering the programs under this title, and to the factual, technical, or scientific findings and recommendations under the Committee's responsibility.".

SEC. 1447. TECHNICAL AND CONFORMING AMENDMENTS.

(a) Food Security Act.—Subtitle D of title XII of such Act (16 U.S.C. 3831 et seq.) as such subtitle existed prior to the date of enactment of this Act, is amended by striking the term "this subtitle" each place that such term occurs and inserting "this subchapter".

(b) Table of Contents.—

(1) Wetland conservation.—Section 2 of the Food Security Act of 1985 is amended—

(A) by striking the item relating to section 1222 and insert the following:

"Sec. 1222. Delineation of wetlands; exemptions.";

(B) by inserting after the item relating to section 1223 the following new item:

"Sec. 1224. Fairness of compliance.";

(2) Conservation reserve.—Section 2 of such Act is amended by striking the heading and the items relating to subtitle D of title XII and inserting the following:

"Subtitle D—Agricultural Resources Conservation Program"

"Chapter 1—Environmental Conservation Acreage Reserve Program

"Subchapter A—General Provisions

"Sec. 1230. Environmental Conservation Acreage Reserve Program.

"Subchapter B—Conservation Reserve

"Sec. 1231. Conservation reserve.
"Sec. 1232. Duties of owners and operators.
"Sec. 1233. Duties of the Secretary.
"Sec. 1234. Payments.
"Sec. 1235. Contracts
"Sec. 1235A. Conversion of land subject to contract to other conserving uses.
"Sec. 1236. Base history.

"Subchapter C—Wetlands Reserve Program

"Sec. 1237. Wetlands Reserve Program.
"Sec. 1237A. Easements.
"Sec. 1237B. Duties of owners.
"Sec. 1237C. Duties of the Secretary.
"Sec. 1237D. Payments.
"Sec. 1237E. Changes in ownership; agreement modification; termination.
"Sec. 1237F. Administration and funding.

"CHAPTER 2—AGRICULTURAL WATER QUALITY INCENTIVES

"Sec. 1238. Policy.
"Sec. 1238A. Definitions.
"Sec. 1238B. Agricultural Water Quality Protection Program.
"Sec. 1238C. Eligible lands.
"Sec. 1238D. Technical assistance for water quality protection.
"Sec. 1238E. Demonstration and pilot programs.
"Sec. 1238F. Report to Congress.

"CHAPTER 3—ENVIRONMENTAL EASEMENT PROGRAM

"Sec. 1239. Environmental Easement Program.
"Sec. 1239A. Duties of owners; components of plan.
"Sec. 1239B. Duties of the Secretary.
"Sec. 1239C. Payments.
"Sec. 1239D. Changes in ownership; modification of easement.".

(3) ADMINISTRATION.—Section 2 of such Act is further amended by striking the item relating to section 1245 and inserting the following new items:

"Sec. 1245. Authorization of appropriations.
"Sec. 1246. Monitoring and evaluation.
"Sec. 1247. Assistance for control of the spread of weeds and pests.".

(4) TREE PLANTING INITIATIVE.—Section 2 of such Act is further amended by inserting after the item relating to section 1254 the following new item:

"Sec. 1256. Tree planting initiative.".

(5) STATE TECHNICAL COMMITTEES.—Section 2 of such Act is further amended by inserting after the items relating to subtitle F of title XII the following new items:

"SUBTITLE G—STATE TECHNICAL COMMITTEES

"Sec. 1261. Establishment.
"Sec. 1262. Responsibilities.".

Subtitle D—Other Conservation Measures

SEC. 1451. INTEGRATED FARM MANAGEMENT PROGRAM OPTION.

(a) ESTABLISHMENT.—The Secretary of Agriculture (hereafter in this section referred to as the "Secretary") shall, by regulation, establish a voluntary program, to be known as the "Integrated Farm Management Program Option" (hereafter referred to in this section as the "program"), designed to assist producers of agricultural com-

modities in adopting integrated, multiyear, site-specific farm management plans by reducing farm program barriers to resource stewardship practices and systems.

(b) Definitions.—

(1) In general.—For purposes of this section—

(A) The term "resource-conserving crop" means legumes, legume-grass mixtures, legume-small grain mixtures, legume-grass-small grain mixtures, and alternative crops.

(B) The term "resource-conserving crop rotation" means a crop rotation that includes at least one resource-conserving crop and that reduces erosion, maintains or improves soil fertility and tilth, interrupts pest cycles, or conserves water.

(C) The term "farming operations and practices" includes the integration of crops and crop-plant variety selection, rotation practices, tillage systems, soil conserving and soil building practices, nutrient management strategies, biological control and integrated pest management strategies, livestock production and management systems, animal waste management systems, water and energy conservation measures, and health and safety considerations.

(D) The term "integrated farm management plan" means a comprehensive, multiyear, site-specific plan that meets the requirements of subsection (e).

(2) Crops.—For purposes of paragraph (1)(A)—

(A) The term "grass" means perennial grasses commonly used for haying or grazing.

(B) The term "legume" means forage legumes (such as alfalfa or clover) or any legume grown for use as a forage or green manure, but not including any bean crop from which the seeds are harvested.

(C) The term "small grain" shall not include malting barley or wheat, except for wheat interplanted with other small grain crops for nonhuman consumption.

(D) The term "alternative crops" means experimental and industrial crops grown in arid and semiarid regions that conserve soil and water.

(c) Eligibility.—To be eligible to participate in the program established by this section, a producer must—

(1) prepare and submit to the Secretary for approval an integrated farm management plan (hereafter referred to in this section as the "plan");

(2) actively apply the terms and conditions of the plan, as approved by the Secretary;

(3) devote to a resource-conserving crop, on the average through the life of the contract, not less than 20 percent of the crop acreage bases enrolled under such program;

(4) comply with the terms and conditions of any annual acreage limitation program in effect for the crop acreage bases contracted under the terms of this subsection; and

(5) keep such records as the Secretary may reasonably require.

(d) Acreage.—In accepting contracts for the program, the Secretary, to the extent practicable, shall enroll not more than 3,000,000, nor more than 5,000,000, acres of cropland in the calendar years 1991 through 1995.

(e) CONTRACTS.—The Secretary shall enter into contracts with producers to enroll acreage in the program. Such contracts shall be for a period of not less than 3 years, but may, at the producer's option, be for a longer period of time (up to 5 years) and may be renewed upon mutual agreement between the Secretary and the producer.

(f) REQUIREMENTS OF THE PLANS.—Each plan approved by the Secretary shall—

(1) specify the acreage and the crop acreage bases to be enrolled in the program;

(2) describe the resource-conserving crop rotation to be implemented and maintained on such acreage during the contract period to fulfill the purposes of the program;

(3) contain a schedule for the implementation, improvement and maintenance of the resource-conserving crop rotation described in the plan;

(4) describe the farming operations and practices to be implemented on such acreage and how such operations and practices could reasonably be expected to result in—

(A) the maintenance or enhancement of the overall productivity and profitability of the farm;

(B) the prevention of the degradation of farmland soils, the long-term improvement of the fertility and physical properties of such soils; and

(C) the protection of water supplies from contamination by managing or minimizing agricultural pollutants if their management or minimization results in positive economic and environmental benefits;

(5) assisting the producer to comply with all Federal, State, and local requirements designed to protect soil, wetland, wildlife habitat, and the quality of groundwater and surface water; and

(6) contain such other terms as the Secretary may, by regulation, require.

(g) ADMINISTRATION; CERTIFICATION; TERMINATION.—

(1) ADMINISTRATION; TECHNICAL ASSISTANCE; FLEXIBILITY; IMPLEMENTATION; DISPLACEMENT.—

(A) ADMINISTRATION.—The program shall be administered by the Secretary.

(B) TECHNICAL ASSISTANCE.—In administering the program, the Secretary, in consultation with the local conservation districts, and any State or local authorities deemed appropriate by the Secretary, shall provide technical assistance to producers in developing and implementing plans, evaluating the effectiveness of plans, and assessing the costs and benefits of farming operations and practices. The plans may draw on handbooks and technical guides and may also include other practices appropriate to the particular circumstances of the producer and the purposes of the program.

(C) FLEXIBILITY.—In administering the program, the Secretary shall provide sufficient flexibility for a producer to adjust or modify the producer's plan consistent with this section, except that such adjustments or modifications must be approved by the Secretary.

(D) MINIMIZATION OF ADVERSE EFFECT.—

(i) IN GENERAL.—Notwithstanding any other provision of this section, the Secretary shall implement this section in such a manner as to minimize any adverse economic effect on the agribusinesses and other agriculturally related economic interests within any county, State, or region that may result from a decrease of harvested acres due to the operation of this section. In carrying out this section, the Secretary may restrict the total amount of crop acreage that may be removed from production, taking into consideration the total amount of crop acreage that has, or will be, removed from production under other price support, production adjustment, or conservation program activities.

(ii) MAXIMIZE CONSERVATION GOALS.—The Secretary shall, to the greatest extent practicable, permit producers on a farm that desire to participate in the program authorized under this section to enroll acreage adequate to maximize conservation goals on such farm and ensure economic effectiveness of the program in each individual application.

(E) DISPLACEMENT.—The Secretary shall not approve any plan that will result in the involuntary displacement of farm tenants or lessees by landowners through the removal of substantial portions of the farm from production of a commodity. In the case of any tenant or lessee who has rented or leased the farm (with or without a written option for annual renewal or periodic renewals) for a period of two or more of the immediately preceding years, the Secretary shall consider the refusal by a landlord, without reasonable cause other than simply for the purpose of enrollment in the program, to renew such rental or lease as an involuntary displacement in the absence of a written consent to such nonrenewal by the tenant or lessee.

(2) CERTIFICATION.—The Secretary shall certify compliance by producers with the terms and conditions of the plans.

(3) TERMINATION.—The Secretary may terminate a contract entered into with a producer under this program if—

(A) the producer agrees to such termination, or

(B) the producer violates the terms and conditions of such contract.

(h) PROGRAM RULES.—

(1) BASE AND YIELD PROTECTION.—Notwithstanding any other provision of law, the Secretary shall not, except as provided in paragraph (6), reduce crop acreage bases, or farm program payment yields, as a result of the planting of a resource-conserving crop as part of a resource-conserving crop rotation.

(2) RESOURCE-CONSERVING CROPS ON REDUCED ACREAGE.—Notwithstanding the provisions of title I of the Agricultural Act of 1949, acreage devoted to resource-conserving crops as part of a resource-conserving crop rotation under this program may also be designated as conservation use acreage for the purpose of fulfilling any provisions under any acreage limitation or land diversion program and up to 50 percent of the acreage so

designated shall be without restrictions on haying and grazing, except as provided in paragraph (5)(B), except that such acreage that is devoted to perennial cover on which cost-share assistance for the establishment of the perennial cover has been provided, shall not be credited towards the producer's resource-conserving crop requirement under a contract under this section.

(3) BARLEY, OATS, AND WHEAT.—Notwithstanding any other provisions of this section, barley, oats, or wheat planted as part of a resource-conserving crop on reduced acreage may not be harvested in kernel form.

(4) PAYMENT ACRES.—Notwithstanding any other provision of this Act, the Secretary shall not reduce farm program payments of participants in this program as a result of the planting a resource-conserving crop as part of a resource-conserving crop rotation on payment acres.

(5) HAYING AND GRAZING RESTRICTION.—

(A) IN GENERAL.—The Secretary shall not make any program payments to a producer who is otherwise eligible to receive with respect to acreage enrolled in the program if such producer hays or grazes such acreage (excluding acreage designated as conservation use acreage) during the 5-month period in each State during which haying and grazing of conserving use acres is not allowed under the provisions of the Agricultural Act of 1949, or, if the crop planted on such acreage includes a small grain, before the producer harvests the small grain crop in kernel form.

(B) LIMITATION ON PERMITTED HAYING AND GRAZING.—Notwithstanding any other provision of this section, if the Secretary determines that implementation of this section will result in a significant adverse economic impact on hay or livestock prices in a particular geographic area, the Secretary may limit the quantity of hay that can be harvested or grazed from that area. Such limit may include restrictions on the number of times that hay may be harvested or grazed from the acres per year, the timing of such harvesting and grazing, or the number of years that such land may remain in the same hay stand, or a prohibition on the harvesting or grazing of hay from acres on which a small grain was not originally interplanted with the hay crop and harvested for grain.

([illegible]) BASE ACRE ADJUSTMENTS.—The Secretary, only for the purpose of establishing a producer's crop acreage base under the Agricultural Act of 1949, may make such adjustments as the Secretary determines to be fair and equitable to reflect resource-conserving crop rotation practices that were maintained by producers prior to participation in the program and to reflect such other factors as the Secretary determines should be considered, except that the total of such adjustments in any year shall not exceed the total farm program savings in the same year that would result from the implementation of plans.

(7) PAYMENT ACREAGE LIMITATION.—

(A) IN GENERAL.—No producers enrolled in a resource-conserving crop rotation shall be eligible to receive payments under farm programs for wheat, feed grains, cotton,

or rice under the Agricultural Act of 1949 on acreage equal to the average number of traditionally underplanted acres for the three years prior to enrolling in this program.

(B) DEFINITION.—

(i) IN GENERAL.—Subject to clause (ii), for the purposes of this paragraph the term "traditionally underplanted acreage" means the difference in a particular year between the acreage that is part of a producer's crop acreage base that is not planted to the program crop and the part of the crop acreage base subject to an acreage limitation program or required to be set aside. In no case shall such acreage be less than zero.

(ii) EXCEPTION.—In the case of a producer participating in a particular year in a program authorized under section 101B(c)(1)(B), section 103B(c)(1)(B), section 105A(c)(1)(B), or section 107A(c)(1)(B) of the Agricultural Act of 1949, the term "traditionally underplanted acreage" means 8 percent of the producer's permitted acreage for such year.

SEC. 1452. RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM.

(a) ELIGIBILITY.—Section 1536 of the Agriculture and Food Act of 1981 (16 U.S.C. 3459) is amended by striking "two hundred and twenty-five" and inserting "450".

(b) AUTHORIZATION.—Section 1538 of the Agriculture and Food Act of 1981 (16 U.S.C. 3461) is amended by striking "for each of the five fiscal years beginning October 1, 1982, and ending September 30, 1987," and inserting "for each of the fiscal years 1991 through 1995".

SEC. 1453. AMENDMENT TO THE NOXIOUS WEED ACT.

The Federal Noxious Weed Act of 1974 (7 U.S.C. 2801 et seq.) is amended by adding at the end the following:

"SEC. 15. MANAGEMENT OF UNDESIRABLE PLANTS ON FEDERAL LANDS.

"(a) DUTIES OF AGENCIES.—Each Federal agency shall—

"(1) designate an office or person adequately trained in the management of undesirable plant species to develop and coordinate an undesirable plants management program for control of undesirable plants on Federal lands under the agency's jurisdiction;

"(2) establish and adequately fund an undesirable plants management program through the agency's budgetary process;

"(3) complete and implement cooperative agreements with State agencies regarding the management of undesirable plant species on Federal lands under the agency's jurisdiction; and

"(4) establish integrated management systems to control or contain undesirable plant species targeted under cooperative agreements.

"(b) ENVIRONMENTAL IMPACT STATEMENTS.—In the event an environmental assessment or environmental impact statement is required under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) to implement plant control agreements, Federal agencies shall complete such assessments or statements within 1

year after the requirement for such assessment or statement is ascertained.

"(c) COOPERATIVE AGREEMENTS WITH STATE AGENCIES.—

"(1) IN GENERAL.—Federal agencies, as appropriate, shall enter into cooperative agreements with State agencies to coordinate the management of undesirable plant species on Federal lands.

"(2) CONTENTS OF PLAN.—A cooperative agreement entered into pursuant to paragraph (1) shall—

"(A) prioritize and target undesirable plant species or group of species to be controlled or contained within a specific geographic area;

"(B) describe the integrated management system to be used to control or contain the targeted undesirable plant species or group of species; and

"(C) detail the means of implementing the integrated management system, define the duties of the Federal agency and the State agency in prosecuting that method, and establish a timeframe for the initiation and completion of the tasks specified in the integrated management system.

"(d) EXCEPTION.—A Federal agency is not required under this section to carry out programs on Federal lands unless similar programs are being implemented generally on State or private lands in the same area.

"(e) DEFINITIONS.—As used in this section:

"(1) COOPERATIVE AGREEMENT.—The term 'cooperative agreement' means a written agreement between a Federal agency and a State agency entered into pursuant to this section.

"(2) FEDERAL AGENCY.—The term 'Federal agency' means a department, agency, or bureau of the Federal Government responsible for administering or managing Federal lands under its jurisdiction.

"(3) FEDERAL LANDS.—The term 'Federal lands' means lands managed by or under the jurisdiction of the Federal Government.

"(4) INTEGRATED MANAGEMENT SYSTEMS.—The term 'integrated management systems' means a system for the planning and implementation of a program, using an interdisciplinary approach, to select a method for containing or controlling an undesirable plant species or group of species using all available methods, including—

"(A) education;

"(B) preventive measures;

"(C) physical or mechanical methods;

"(D) biological agents;

"(E) herbicide methods;

"(F) cultural methods; and

"(G) general land management practices such as manipulation of livestock or wildlife grazing strategies or improving wildlife or livestock habitat.

"(5) INTERDISCIPLINARY APPROACH.—The term 'interdisciplinary approach' means an approach to making decisions regarding the containment or control of an undesirable plant species or group of species, which—

"(A) includes participation by personnel of Federal or State agencies with experience in areas including weed science, range science, wildlife biology, land management, and forestry; and

"(B) includes consideration of—

"(i) the most efficient and effective method of containing or controlling the undesirable plant species;

"(ii) scientific evidence and current technology;

"(iii) the physiology and habitat of a plant species; and

"(iv) the economic, social, and ecological consequences of implementing the program.

"(6) STATE AGENCIES.—The term 'State agency' means a State department of agriculture, or other State agency or political subdivision thereof, responsible for the administration or implementation of undesirable plants laws of a State.

"(7) UNDESIRABLE PLANT SPECIES.—The term 'undesirable plants' means plant species that are classified as undesirable, noxious, harmful, exotic, injurious, or poisonous, pursuant to State or Federal law. Species listed as endangered by the Endangered Species Act of 1973 shall not be designated as undesirable plants under this section and shall not include plants indigenous to an area where control measures are to be taken under this section.

"(f) COORDINATION.—

"(1) IN GENERAL.—The Secretary of Agriculture and the Secretary of the Interior shall take such actions as may be necessary to coordinate Federal agency programs for control, research, and educational efforts associated with Federal, State, and locally designated noxious weeds.

"(2) DUTIES.—The Secretary, in consultation with the Secretary of the Interior, shall—

"(A) identify regional priorities for noxious weed control;

"(B) incorporate into existing technical guides regionally appropriate technical information; and

"(C) disseminate such technical information to interested State, local, and private entities.

"(3) COST SHARE ASSISTANCE.—The Secretary may provide cost share assistance to State and local agencies to manage noxious weeds in an area if a majority of landowners in that area agree to participate in a noxious weed management program.

"(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sums as may be necessary in each of fiscal years 1991 through 1995 to carry out this section.".

SEC. 1454. IDENTIFYING THE EFFECTS OF FEDERAL PROGRAMS.

Section 1541(b) of the Farmland Protection Policy Act (7 U.S.C. 4202(b)) is amended by inserting "to identify the quantity of farmland actually converted by Federal programs, and" after "of this section,".

SEC. 1455. GREAT PLAINS CONSERVATION PROGRAM.

(a) CONTRACTS.—Section 16(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590p(b)) is amended—

(1) in paragraph (1), by striking "1991" and inserting "2001"; and

(2) in paragraph (7), by striking "$600,000,000" and inserting "$1,000,000,000".

(b) Design of Systems and Data.—Section 16 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590p) is amended by adding at the end thereof the following new subsections:

"(j) In the design and preparation of resource management systems under this section, the Secretary shall, where practicable, substitute more intensive management measures for structural measures.

"(k) The Secretary shall collect and maintain data on a national and State by State basis concerning the resource, environmental and economic consequences of the assistance and applications provided under this section.".

SEC. 1456. COMPOSTING RESEARCH AND EXTENSION PROGRAM.

(a) Purpose.—It is the purpose of this section to require the Secretary of Agriculture to identify and compile appropriate methods of composting agricultural wastes and the potential uses for such compost, and to make such information available to the appropriate Federal, State, or other private authorities and the general public.

(b) Composting Information.—

(1) Secretary.—The Secretary shall identify and compile information on—

(A) the composting of agricultural wastes, including information on the composting of wastes from the production, processing, and distribution of food, fiber, forestry, livestock, and fish products, and the potential uses of such compost; and

(B) laws, rules, and programs adopted by State and local governments and foreign governments that establish definitions and set standards for the processing, handling, and use of compost.

(2) Consultation.—In identifying and compiling such information, the Secretary may consult with representatives of other Federal departments and such other persons as the Secretary determines appropriate.

(c) Research.—The Secretary shall conduct research on the potential uses for compost derived from animal wastes, and from other waste streams as appropriate, and identify uses for such compost, including the potential for marketing such product. Such research shall also include evaluation of the application of compost derived from agricultural wastes on soil, plants, and food and fiber crops.

(d) Composting Extension Program.—Beginning not later than one year after the date of the enactment of this Act, the Secretary shall initiate extension efforts to inform the agricultural community and the general public regarding—

(1) the desirability and safety of compost derived from agricultural wastes;

(2) on-farm and other composting techniques; and

(3) procedures for using compost.

(e) Farm Conservation Practice.—The Secretary shall consider designating composting as a farm conservation practice eligible for cost-sharing.

Subtitle E—Watershed Protection and Flood Prevention Act; Farmland Protection

CHAPTER 1—WATERSHED PROTECTION AND FLOOD PREVENTION

SEC. 1461. RELATION OF BENEFITS TO AGRICULTURE.

The Watershed Protection and Flood Prevention Act of 1954 is amended in the third sentence of section 2 (16 U.S.C. 1002)—

(1) by striking "Each such project" and all that follows through "1987," and inserting "Each project"; and

(2) by inserting after "agriculture" the following: ", including rural communities,".

SEC. 1462. COST SHARE ASSISTANCE.

The Watershed Protection and Flood Prevention Act (16 U.S.C. 1001 et seq.) is amended by inserting after section 3 the following new section:

"SEC. 3A. COST SHARE ASSISTANCE.

"(a) Easements.—The Secretary may provide cost share assistance to project sponsors to enable such sponsors to acquire perpetual wetland or floodplain conservation easements to perpetuate, restore and enhance the natural capability of wetlands and floodplains to retain excessive floodwaters, improve water quality and quantity, and provide habitat for fish and wildlife.

"(b) Amount.—The Secretary shall require that project sponsors of watershed projects provide up to 50 percent of the cost of acquiring easements under subsection (a).".

SEC. 1463. DATA.

The Watershed Protection and Flood Prevention Act of 1954 (16 U.S.C. 1001 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 13. DATA.

"The Secretary shall collect and maintain data on a national and State by State basis concerning—

"(1) expenditures for the individual flood control and conservation measures for which assistance is provided under this Act; and

"(2) the expected flood control or environmental (including soil erosion) benefits that will result from the implementation of such measures.".

SEC. 1464. AMENDMENT TO THE WATERSHED PROTECTION AND FLOOD PREVENTION ACT.

Section 3(6) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1003(6)) is amended by inserting "and enhance the water quality of" after "recreation resources of".

CHAPTER 2—FARMLAND PROTECTION

SEC. 1465. SHORT TITLE, PURPOSE, AND DEFINITION.

(a) SHORT TITLE.—This chapter may be cited as the "Farms for the Future Act of 1990".

(b) PURPOSE.—It is the purpose of this chapter to promote a national farmland protection effort to preserve our vital farmland resources for future generations.

(c) DEFINITIONS.—As used in this chapter:

(1) ALLOWABLE INTEREST RATE.—The term "allowable interest rate" refers to an interest rate which shall be the current average rate of interest that each State pays on 10-year notes or other similar obligations of the State, or a comparable interest rate as determined by the Secretary.

(2) ELIGIBLE LOAN.—The term "eligible loan" means the 10-year loans made by lending institutions to State trust funds to further the purposes of this chapter. No principal payments shall be due on such eligible loans for the first 10 years after such loan is made and the principal amount shall be paid by the State trust fund at the end of the 10th year. For each such eligible loan, each State trust fund shall be entitled to receive an interest rate subsidy from the Secretary as set forth in section 1466(b).

(3) ELIGIBLE STATE.—The term "eligible State" means—

(A) the State of Vermont; and

(B) at the option of the Secretary and subject to appropriations, any State that on or before August 1, 1991—

(i) operates or administers a land preservation fund that invests funds in the protection or preservation of farmland for agricultural purposes; and

(ii) works in coordination with the governing bodies of counties, towns, townships, villages, or other units of general government below the State level, or with private nonprofit or public organizations, to assist in the preservation of farmland for agricultural purposes.

(4) LENDING INSTITUTION.—The term "lending institution" means any Federal or State chartered bank, savings and loan associations, cooperative lending agencies, or other legally organized lending agencies.

(5) PROGRAM.—The term "program" means the farmland preservation program established under this chapter to be known as the "Agricultural Resource Conservation Demonstration Program".

(6) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(7) STATE.—The term "State" means any State of the United States, Commonwealth of Puerto Rico, and the Virgin Islands of the United States.

(8) STATE TRUST FUND.—The term "State trust fund" means a trust fund or an account established by an eligible State, approved to participate by the Secretary in the program, in which Federal funds received under this chapter are deposited for use by such trust fund.

SEC. 1466. ESTABLISHMENT OF PROGRAM.

(a) In General.—

(1) Purpose.—The Secretary, acting through the Farmers Home Administration, shall establish and implement a program, to be known as the "Agricultural Resource Conservation Demonstration Program", to provide Federal guarantees and interest rate assistance for loans made by lending institutions to State trust funds.

(2) Assistance.—Under the program, the Secretary shall guarantee the timely payment of the principal amount and interest due on eligible loans made by lending institutions to State trust funds and shall subsidize the interest on such loans at the allowable interest rate for the first 5 years after such loan is made, and at no less than three percentage points for the second 5 years under procedures described in subsection (b). Each State trust fund shall pay the rate of interest, and the principal at the end of the 10th year, as provided for in the loan agreement regarding each eligible loan.

(b) Mandatory Assistance to Each Eligible State Trust Fund.—The Secretary shall—

(1) fully guarantee each eligible loan made by lending institutions to each State trust fund under regulations promulgated by the Secretary;

(2) annually pay to each State trust fund an amount calculated by applying the allowable interest rate to the amount of each loan the State trust fund receives, as determined under procedures developed by the Secretary, during each of the first 5 years after the date on which each such loan is made; and

(3) annually pay to each State trust fund, for each year during the second 5-year period after each such eligible loan is made, an amount calculated by applying the interest rate difference, between the rate of interest charged to borrowers of direct loans as described in section 316(a)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1946(a)(2)) and the allowable interest rate, to the amount of each loan the State trust fund receives from any given lending institution, as determined under procedures issued by the Secretary.

(c) Funding Provided by the Secretary of the Treasury.—The Secretary of Agriculture is required to make and issue stock, in the same manner as notes are issued under section 309(c) or 309A(d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(c) or 1929a(d)), to the Secretary of the Treasury for the purpose of obtaining Funds from the Secretary of the Treasury that are necessary for discharging the obligations of the Secretary of Agriculture under this chapter. Such stock shall not pay dividends and shall not be redeemable.

(d) Required Purchases of Stock.—The Secretary shall promptly notify, in writing, the Secretary of the Treasury each time an application of an eligible State is approved by the Secretary under this chapter. The Secretary of the Treasury shall purchase stock offered by the Secretary under subsection (c) on the day offered and the Secretary of Agriculture shall deposit the proceeds from each such sale of stock in accounts created to administer this program.

(e) Entitlements.—The Secretary is entitled to receive funds, and shall receive funds, from the Secretary of the Treasury in an amount equal to the total par-value of the stock issued to the Secretary of the Treasury. Each State trust fund is entitled to receive, and the Secretary of Agriculture shall promptly pay to each such trust fund, amounts calculated under procedures described in section (b).

(f) Regulations.—The Secretary shall promulgate proposed and final regulations, under the prior public comment provisions of section 553 of title 5, United States Code, setting forth—

(1) the application procedures for eligible States;

(2) the factors to be used in approving applicants;

(3) procedures for the prompt payment of the obligations of the Secretary under section (b);

(4) recordkeeping requirements for approved State trust funds;

(5) requirements to prevent program abuse and procedures to recover improperly obtained funds;

(6) rules permitting State trust funds to act as revolving funds or to otherwise accumulate additional capital, based on investments, to be subsequently used to promote the purposes of this chapter; and

(7) any other rules necessary and appropriate to carry out this program.

(g) Duration of Program.—The program established under this chapter shall expire on September 30, 1996, except that any financial obligations of the Secretary shall continue to be met as required by this chapter.

SEC. 1467. FEDERAL ACCOUNTS.

To carry out the purposes of this chapter, the Secretary may establish in the Treasury of the United States an account, to be known as the "Agricultural Resource Conservation Revolving Fund" (hereinafter referred to in this chapter as the "Fund"), for the use by the Secretary to meet the obligations of the Secretary under this chapter.

SEC. 1468. APPLICATIONS AND ADMINISTRATION.

(a) Applications.—In applying for assistance under this chapter an eligible State shall—

(1) prepare and submit, to the Secretary, an application at such time, in such manner, and containing such information as the Secretary shall require;

(2) agree that the State trust fund will use any Funds provided by the Secretary under this chapter in a manner which is consistent with the chapter and the regulations promulgated by the Secretary; and

(3) agree to comply with any other requirements set forth in agreements with the Secretary or as the Secretary may prescribe by regulation.

(b) Annual Applications.—Eligible States may apply for Federal assistance under this chapter on an annual basis.

(c) Match and Maximum Amount.—The total amount of any guarantees provided by the Secretary under this program shall not exceed an amount that is equal to double the amount that each eligible State shall make available for acquiring interests in land to protect and preserve important farmlands for future agricultural

use but in no event shall the total Federal share exceed $10,000,000 in any fiscal year for any given State.

SEC. 1469. REPORT.

Not later than September 30, 1992, and annually thereafter, the Secretary of Agriculture shall prepare and submit, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report concerning the operation of the program established under this chapter.

SEC. 1470. IMPLEMENTATION AND EFFECTIVE DATE.

This chapter shall become effective on October 1, 1990. Not later than December 30, 1990, the Secretary shall enter into an agreement with the State of Vermont to provide Federal assistance under this chapter to the State.

Subtitle F—Administration of Environmental Programs

SEC. 1471. ESTABLISHMENT OF THE AGRICULTURAL COUNCIL ON ENVIRONMENTAL QUALITY.

(a) ESTABLISHMENT.—The Secretary shall establish an Agricultural Council on Environmental Quality in the Department of Agriculture (hereafter in this subtitle referred to as the "Council"). The Council shall be under the direct authority of the Secretary, and shall be responsible for carrying out the provisions of this subtitle, and for coordination and direction of all environmental policies and programs of the Department.

(b) MEMBERSHIP.—Membership of the Council shall consist of the Secretary, the Deputy Secretary, the Assistant Secretary for Natural Resources and Environment, the Assistant Secretary for Science and Education, other under and assistant secretaries as may be designated by the Secretary, and the Director of the Office of Agricultural Environmental Quality, established in section 1472, who shall serve as the Executive Director of the Council. The Secretary shall designate a member of the Council, other than the Executive Director, as chair of the Council.

SEC. 1472. OFFICE OF AGRICULTURAL ENVIRONMENTAL QUALITY.

(a) ESTABLISHMENT.—The Secretary shall establish an Office of Agricultural Environmental Quality in the Department of Agriculture (hereafter in this subtitle referred to as the "Office").

(b) DIRECTOR.—The Office shall be administered by a director who shall be appointed by the Secretary. The Director shall be an individual who has demonstrated technical expertise and experience in agricultural and environmental matters.

(c) STAFF.—

(1) APPOINTMENTS.—The Director may appoint such employees as may be necessary to assist the Director in carrying out this section. Such employees shall include individuals who have professional expertise in matters related to environmental quality, including (but not limited to) agricultural production, water quality, wetland, wildlife conservation, soil conservation, and agricultural chemical usage.

(2) Liaisons.—The Administrator of the Environmental Protection Agency and the Secretary of the Interior shall detail to the Office upon request of the Secretary, on a reimbursable basis, at least one employee, respectively, with expertise in matters related to agriculture and environmental quality. Such detailed employees shall serve as a liaison for their respective agencies with the Department of Agriculture to assist the Director in carrying out the provisions of this section. The term of the detail shall not exceed 3 years.

(3) Additional staff.—Upon request of the Secretary, the head of any Federal agency is authorized to detail, on a reimbursable basis, employees of such agency to the Office to assist the Director.

(d) Duties of the Director.—

(1) In general.—The Director shall assist the Council in developing a departmental and agency-specific environmental quality policy statement and implementation plan and an annual agricultural environmental quality report, as specified in section 1473. The Director shall coordinate and monitor the activities of the Department regarding initiatives and programs related to environmental quality and the interpretation of departmental policies affecting environmental quality. The Director shall serve as a member of the Council and as its Executive Director.

(2) Additional duties.—The Director shall also be responsible for—

(A) recommending to the Council environmental protection goals and specific programs, initiatives, and policies that will balance the needs of production agriculture with environmental concerns;

(B) providing advice to the Council on the development, implementation, and review of activities of agencies of the Department to ensure consistency with the Department's environmental protection goals;

(C) coordinating environmental policy within the Department through the program managers, and between the Department and other Federal agencies, regional authorities, State and local governments, land-grant and other colleges and universities, and nonprofit and commercial organizations, regarding programs and actions relating to environmental quality;

(D) serving as a coordinator for the Department's data, information, programs, and initiatives dealing with environmental quality;

(E) developing the plans and reports required as specified by this subtitle; and

(F) providing such staff as may be necessary to support the activities of the Council.

SEC. 1473. ENVIRONMENTAL QUALITY POLICY STATEMENT.

(a) Environmental Quality Policy Statement, Implementation Plan, and Annual Report.—

(1) Policy statement.—The Council shall develop an Environmental Quality Policy Statement that identifies goals and

objectives for addressing the effects of agriculture on environmental quality. The policy statement shall be based upon an assessment, in accordance with subparagraph (B), of the current status and level of effort, in terms of staff and funding, of programs at the Department of Agriculture to evaluate, prevent, and mitigate environmental problems that may result from agricultural production. The policy statement shall be revised at least every 5 years.

(2) ASSESSMENT.—The assessment under subparagraph (A) shall include:

(A) Detailed descriptions of the roles of the involved Departmental agencies.

(B) A description of current efforts to coordinate the individual activities of each of the involved departmental agencies.

(C) Recommendations for precluding any undesirable duplication of efforts within the Department and among the Department and other Federal and State programs.

(D) Specific recommendations for new initiatives in monitoring, research, extension, and technical assistance efforts to address present and potential environmental quality problems.

The assessment may incorporate existing documents and planning processes within the Department.

(b) IMPLEMENTATION PLAN.—The Director, subject to the approval of the Council, shall prepare a plan to implement the Environmental Quality Policy Statement. The plan shall include an assessment of the activities of each departmental agency to mitigate or reduce any negative effects on environmental quality of agricultural policies, programs, and practices under their respective jurisdictions and shall describe in detail new departmental and agency-specific initiatives intended to achieve the goals and objectives of the policy statement. The plan shall be revised at least every 5 years.

(c) ANNUAL ENVIRONMENTAL QUALITY REPORT.—Not later than January 31, 1992, and annually thereafter, the Council, through the Director, shall prepare and submit an annual report to the Congress, other appropriate Federal and State agencies, and the public on the progress being made toward the goals and objectives established in the Environmental Quality Policy Statement. The report shall also include—

(1) a review of the environmental activities and initiatives of the Department during the preceding year;

(2) specific action taken to coordinate the environmental programs of the Department with programs of other Federal agencies and related State programs; and

(3) such recommendations as the Secretary considers appropriate regarding current or additional environmental protection programs, initiatives, or policies that will balance the needs of production agriculture while addressing environmental concerns.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are hereby authorized to be appropriated annually not to exceed $2,000,000 to carry out this subtitle.

Subtitle G—Water Quality Research, Education, and Coordination

SEC. 1481. SHORT TITLE, PURPOSE, DEFINITIONS, AND AUTHORIZATION OF APPROPRIATIONS.

(a) SHORT TITLE.—This subtitle may be cited as the "Agriculture and Water Policy Coordination Act".

(b) PURPOSE.—It is the purpose of this subtitle to ensure—

(1) that the Department of Agriculture develops, implements, and sustains a coordinated, integrated, and comprehensive intra-agency program to protect waters from contamination from agricultural chemicals and production practices; and

(2) increased efforts by the Department of Agriculture in extension, technical assistance, and research on the relations between agricultural production and the contamination of water.

(c) DEFINITIONS.—For purpose of this subtitle—

(1) The term "contaminant" means any matter which, in its original form or as a metabolite, degradation, or waste product, as a constituent of water may impair the quality of water or may have a potential adverse effect on human health or the environment.

(2) The term "Department" means the United States Department of Agriculture.

(3) The term "food and agricultural councils" means those councils established by the policy of the Secretary in each State and made up of the leaders of programs within each State that represent agriculture.

(4) The term "soil and water conservation committees" refers to the committees established within the respective States by State law and which include the leaders of appropriate State agencies that address soil and water conservation.

(5) The term "Secretary" means the Secretary of Agriculture.

(6) The term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, the Virgin Islands, and federally recognized Indian tribes.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary for fiscal years 1991 through 1995 to carry out this subtitle.

SEC. 1482. SOIL AND WATER ACTIVITIES.

(a) PURPOSE.—The Congress declares that an additional purpose of the Soil Conservation Service and the Extension Service is to aid in protecting and improving the quality of water.

(b) CONSERVATION PLANS.—The Secretary, when reviewing conservation plans for compliance certification, shall determine the impact that such plans may have on agriculture and water quality planning. The Soil Conservation Service shall complete this determination by January 1, 2000.

(c) ACQUISITION OF WATER INFORMATION THROUGH THE NATIONAL RESOURCES INVENTORY.—The Secretary shall determine within six months after the date of the enactment of this Act whether the na-

tional resources inventory can be modified to acquire useful information on water conditions and surface conditions that affect water quality and supply. In making this determination, the Secretary shall consider—

(1) the costs, limitations, opportunities, and capability of expanding the inventory to include water matters; and

(2) whether the natural resources inventory can be integrated with alternative sources of data on water from Federal and State agencies.

(d) ANNUAL REPORT.—The Secretary shall submit an annual report to the Committee on Agriculture of the House of Representatives and to the Committee on Agriculture, Nutrition, and Forestry of the Senate in conjunction with the report required under section 1473(c). The report shall specify the—

(1) activities and accomplishments of the Soil Conservation Service during the preceding year, including measures taken to enhance the ability of the Service to address water contamination problems;

(2) plans of the Secretary for the subsequent year, concerning measures expected to be taken to enhance the ability of the Service to address water contamination problems; and

(3) progress made in carrying out the purpose stated in subsection (a).

SEC. 1483. STATE WATER QUALITY COORDINATION PROGRAM.

(a) ESTABLISHMENT.—The Secretary shall require the establishment of a water quality coordination program within each State. To the greatest extent possible, the Secretary shall use the expertise of the food and agricultural councils.

(b) MEMBERSHIP.—Each State water quality coordination program shall involve those departmental agencies specified in subsection (c) that are operating within the State. For the purpose of coordination, the State water quality coordination program shall include, should they choose to participate, those State agencies with complementary water program authorities and programs. These State agency members should include the State agencies that are members of the respective State's soil and water conservation committees. The program shall also include the education program coordinator designated under section 1629(b).

(c) AGENCIES.—The agencies referred to in subsection (b) are: the Agricultural Research Service; the Agricultural Stabilization and Conservation Service; the Animal Plant Health Inspection Service; the Cooperative State Research Service in conjunction with the system of State agricultural experiment stations; the Economic Research Service; the Extension Service, in conjunction with State and county cooperative extension services; the Forest Service; the National Agricultural Library; the National Agricultural Statistics Service; the Soil Conservation Service; and other agencies within the Department deemed appropriate by the Secretary.

(d) PROGRAM LEADER.—The program leader of the State water quality coordination program shall be designated by the Secretary from among the Federal agency representatives in subsection (b).

(e) PURPOSE.—The water quality coordination program within each State shall serve as the focal point for coordinating the Depart-

ment's water programs with agencies of that State. In addition to other actions, each water quality coordination program shall—

(1) serve as the focal point within the State for the coordination of Department-supported agricultural water programs with the water programs being conducted by other Federal agencies within the State;

(2) coordinate departmental activities with other Federal activities, within the State with water quality plans developed by that State in accordance with applicable Federal and State laws;

(3) review progress being made on identification and mapping of hydrologic units within that State; and

(4) review the needs of that State to assess the Federal assistance required for State programs to address agricultural sources of water contamination.

(f) ADVISORY PANELS.—The chair of the water quality coordination program in each State may establish an ad hoc advisory panel that shall include farmers, representatives of conservation groups, and advocates of sustainable agricultural practices, agribusiness, chemical and fertilizer industries, agricultural commodities, lending institutions, and trade organizations.

(g) STATE AND REGIONAL RESEARCH PRIORITIES.—The water quality coordination program for each State shall request appropriate representative scientists from the Agricultural Research Service, the State agricultural experiment stations and the agricultural departments of the land-grant universities, to work with the water quality coordination program to establish a prioritized agriculture and water research agenda for the State. This agenda shall address the research topics identified in section 1484 and the concerns or findings established by the activities described in subsection (e)(4). The State research priorities identified under this subsection shall be compiled and reviewed by the appropriate regional and area divisions of the Cooperative State Research Service and the Agricultural Research Service to develop coordinated regional research priorities.

SEC. 1484. WATER QUALITY AND NUTRIENT MANAGEMENT RESEARCH.

(a) PURPOSES.—It is the purpose of this section to establish a coordinated water quality and nutrient management research program at the Department of Agriculture. In carrying out this section, the Secretary shall undertake efforts to—

(1) reduce the sources of contaminants of surface and ground water resources through the development of farm systems which replace or conserve the use of such contaminants while maintaining farm profitability;

(2) develop information and technologies needed to formulate integrated farm chemical and plant nutrient and animal waste management strategies which avoid contamination of surface and ground water, especially in areas identified by State and Federal monitoring or regulatory efforts as having current or potential water quality problems; and

(3) monitor and better evaluate the extent of water contamination caused by farm chemicals, plant nutrients, and animal wastes.

(b) COORDINATION.—In carrying out this section, the Secretary shall ensure that all activities undertaken are coordinated with other programs within the Department of Agriculture, other Federal agencies, and with State governments.

(c) RESEARCH.—Research projects on water quality funded in whole or in part by the Secretary under this section shall include research to help—

(1) develop farming systems and practices which can prevent water contamination while maintaining and improving profitability, including—

(A) integrated crop management systems;

(B) sustainable agricultural practices;

(C) best management practices for use of plant nutrients and animal wastes;

(D) alternative methods of pest and disease control designed to integrate biological, cultural, host-resistance, and judicious use of pesticides; and

(E) improved methods for the storage, use, and safe disposal of potential contaminants;

(2) improve the understanding of the fate and transport of farm chemicals, plant nutrients, and animal wastes which can contaminate water and cause adverse human or environmental effects;

(3) develop integrated crop production systems which are more productive, use inputs more efficiently, and are more protective of the environment, including research on—

(A) nutrient management and use efficiency;

(B) soil and tissue testing and nutrient availability interactions with specific cropping systems;

(C) plant nutrient needs for nitrogen and elements in intensively managed cropping systems;

(D) enhancement of soil productivity;

(E) varietal and hybrid interactions with plant nutrient requirements and overall crop management;

(F) the relationship of soil microbial activity to nutrient management;

(G) suitability of cover crops in soil protection and nutrient conservation;

(H) the role of crop rotations in intensively managed cropping systems;

(I) legume management for nutrient conservation and environmental protection;

(J) interactions of improved nutrient use efficiency and efficient water use;

(K) nutrient availability interactions with soil physical conditions;

(L) nutrient balance effects on improved nitrogen use efficiency and lowered nitrate carryover in soils; and

(M) the importance of subsoil fertility in improved plant yields and nutrient use efficiency;

(4) monitor and evaluate the extent of water contamination from agricultural production methods;

(5) improve the understanding of the relationships between water use and the availability and quality of water;

(6) improve the accuracy of yield and nutrient advisories;

(7) improve the understanding of the ecological and biological aspects of agricultural production;

(8) demonstrate the results of research conducted with funds provided under this section, undertaken in cooperation with the Extension Service, the Soil Conservation Service, and other entities;

(9) reduce water contamination and improve water quality relating to the production of cut roses and other fresh cut flowers; and

(10) meet other critical water quality research needs, as determined by the Secretary.

SEC. 1485. REPOSITORY OF AGRICULTURE AND GROUND WATER QUALITY PLANNING INFORMATION.

(a) Repository.—The Secretary, acting through the Administrator of the National Agricultural Library, shall establish at such Library, a repository for all reports prepared and submitted, in accordance with this subtitle, to the Director, the Secretary, or Committees of Congress. The Administrator of the Library, in administering such repository, shall—

(1) compile other planning documents concerning agriculture and ground water protection that are produced by the Secretary and other Federal, regional, and State agencies;

(2) compile and catalog all Federal statutes relevant to the protection of ground water from agricultural production; and

(3) identify, list, and provide information concerning access to data bases and informational sources relating to ground water and agricultural production that are available through the Secretary, the United States Geological Survey, the Environmental Protection Agency, the Department of Commerce, the National Oceanic and Atmospheric Agency, the Tennessee Valley Authority, private industry, nonprofit organizations, and other sources.

(b) Research Data Base.—

(1) Report.—Within 270 days after the date of enactment of this Act, the Secretary shall prepare and submit a report to the Congress on the measures necessary to develop an interactive, descriptive national data base to contain information on agricultural practices and water resources (including research results, monitoring and survey data, pesticide and nutrient use data, and other relevant data bases and information sources relevant to water protection), to be located at the National Agricultural Library. In preparing this report, the Secretary shall—

(A) identify the information required for the development of such an agriculture and water data base and identify the extent to which such information is now collected either publicly or privately;

(B) determine the extent to which such information can be integrated into one data base; and

(C) develop a plan for implementing the development of such a data base.

(2) Consultation.—In preparing the report, the Secretary shall consult as appropriate with the Economic Research Service, the Extension Service, the Cooperative State Research Serv-

ice, the National Agricultural Statistics Service, the Soil Conservation Service, the United States Geological Survey, the Environmental Protection Agency, such other public and private persons as the Secretary determines appropriate.

(3) Development.—Ninety days after the date on which the report is submitted under subsection (a), the Secretary shall initiate the development of the data base in accordance with such report.

Subtitle H—Pesticides

SEC. 1491. PESTICIDE RECORDKEEPING.

(a) Requirements.—(1) The Secretary of Agriculture, in consultation with the Administrator of the Environmental Protection Agency, shall require certified applicators of restricted use pesticides (of the type described under section 3(d)(1)(C) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a(d)(1)(C)) to maintain records comparable to records maintained by commercial applicators of pesticides in each State. If there is no State requirement for the maintenance of records, such applicator shall maintain records that contain the product name, amount, approximate date of application, and location of application of each such pesticide used for a 2-year period after such use.

(2) Within 30 days of a pesticide application, a commercial certified applicator shall provide a copy of records maintained under paragraph (1) to the person for whom such application was provided.

(b) Access.—Records maintained under subsection (a) shall be made available to any Federal or State agency that deals with pesticide use or any health or environmental issue related to the use of pesticides, on the request of such agency. Each such Federal agency shall conduct surveys and record the data from individual applicators to facilitate statistical analysis for environmental and agronomic purposes, but in no case may a government agency release data, including the location from which the data was derived, that would directly or indirectly reveal the identity of individual producers. In the case of Federal agencies, such access to records maintained under subsection (a) shall be through the Secretary of Agriculture, or the Secretary's designee. State agency requests for access to records maintained under subsection (a) shall be through the lead State agency so designated by the State.

(c) Health Care Personnel.—When a health professional determines that pesticide information maintained under this section is necessary to provide medical treatment or first aid to an individual who may have been exposed to pesticides for which the information is maintained, upon request persons required to maintain records under subsection (a) shall promptly provide record and available label information to that health professional. In the case of an emergency, such record information shall be provided immediately.

(d) Penalty.—The Secretary of Agriculture shall be responsible for the enforcement of subsections (a), (b), and (c). A violation of such subsection shall—

(1) in the case of the first offense, be subject to a fine not more than $500; and

(2) in the case of subsequent offenses, be subject to a fine of not less than $1,000 for each violation, except that the penalty shall be less than $1,000 if the Secretary determines that the person made a good faith effort to comply with such subsection.

(e) FEDERAL OR STATE PROVISIONS.—The requirements of this section shall not affect provisions of other Federal or State laws.

(f) SURVEYS AND REPORTS.—The Secretary of Agriculture and the Administrator of the Environmental Protection Agency, shall survey the records maintained under subsection (a) to develop and maintain a data base that is sufficient to enable the Secretary and the Administrator to publish annual comprehensive reports concerning agricultural and nonagricultural pesticide use. The Secretary and Administrator shall enter into a memorandum of understanding to define their respective responsibilities under this subsection in order to avoid duplication of effort. Such reports shall be transmitted to Congress not later than April 1 of each year.

(g) REGULATIONS.—The Secretary of Agriculture and the Administrator of the Environmental Protection Agency shall promulgate regulations on their respective areas of responsibility implementing this section within 180 days after the date of the enactment of this Act.

SEC. 1492. DATA IN SUPPORT OF REGISTRATION.

Section 3(c)(2)(A) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a(c)(2)(A)) is amended by inserting after the third sentence the following new sentence: "The Administrator shall not require a person to submit, in relation to a registration or reregistration of a pesticide for minor agricultural use under this Act, any field residue data from a geographic area where the pesticide will not be registered for such use.".

SEC. 1493. REDUCTION OR WAIVER OF FEES FOR PESTICIDES REGISTERED FOR MINOR AGRICULTURAL USES.

Section 4(i)(5)(A) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a–1(i)(5)(A)) is amended by adding at the end thereof the following:

> "In the case of a pesticide that is registered for a minor agricultural use, the Administrator may reduce or waive the payment of the fee imposed under this subparagraph if the Administrator determines that the fee would significantly reduce the availability of the pesticide for the use.".

SEC. 1494. VOLUNTARY CANCELLATION.

Section 6(f) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136d(f)) is amended—

(1) by amending paragraph (1) to read as follows:

"(1) VOLUNTARY CANCELLATION.—

"(A) A registrant may, at any time, request that a pesticide registration of the registrant be canceled or amended to terminate one or more pesticide uses.

"(B) Before acting on a request under subparagraph (A), the Administrator shall publish in the Federal Register a notice of the receipt of the request and provide for a 30-day period in which the public may comment.

"(C) In the case of a pesticide that is registered for a minor agricultural use, if the Administrator determines that the cancellation or termination of uses would adversely affect the availability of the pesticide for use, the Administrator—

"(i) shall publish in the Federal Register a notice of the receipt of the request and make reasonable efforts to inform persons who so use the pesticide of the request; and

"(ii) may not approve or reject the request until the termination of the 90-day period beginning on the date of publication of the notice in the Federal Register, except that the Administrator may waive the 90-day period upon the request of the registrant or if the Administrator determines that the continued use of the pesticide would pose an unreasonable adverse effect on the environment.

"(D) Subject to paragraph (3)(B), after complying with this paragraph, the Administrator may approve or deny the request."; and

(2) by adding at the end the following new paragraph:

"(3) TRANSFER OF REGISTRATION OF PESTICIDES REGISTERED FOR MINOR AGRICULTURAL USES.—In the case of a pesticide that is registered for a minor agricultural use:

"(A) During the 90-day period referred to in paragraph (1)(C)(ii), the registrant of the pesticide may notify the Administrator of an agreement between the registrant and a person or persons (including persons who so use the pesticide) to transfer the registration of the pesticide, in lieu of canceling or amending the registration to terminate the use.

"(B) An application for transfer of registration, in conformance with any regulations the Administrator may adopt with respect to the transfer of the pesticide registrations, must be submitted to the Administrator within 30 days of the date of notification provided pursuant to subparagraph (A). If such an application is submitted, the Administrator shall approve the transfer and shall not approve the request for voluntary cancellation or amendment to terminate use unless the Administrator determines that the continued use of the pesticide would cause an unreasonable adverse affect on the environment.

"(C) If the Administrator approves the transfer and the registrant transfers the registration of the pesticide, the Administrator shall not cancel or amend the registration to delete the use or rescind the transfer of the registration, during the 180-day period beginning on the date of the approval of the transfer unless the Administrator determines that the continued use of the pesticide would cause an unreasonable adverse effect on the environment.

"(D) The new registrant of the pesticide shall assume the outstanding data and other requirements for the pesticide that are pending at the time of the transfer.".

SEC. 1495. PEST CONTROL.

Section 28 of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136w–3) is amended—

(1) by inserting "(a) In General.—" before "The Administrator,"; and

(2) by adding at the end thereof the following new subsections:

"(b) Pest Control Availability.—

"(1) In general.—The Administrator, in cooperation with the Secretary of Agriculture, shall identify—

"(A) available methods of pest control by crop or animal;

"(B) minor pest control problems, both in minor crops and minor or localized problems in major crops; and

"(C) factors limiting the availability of specific pest control methods, such as resistance to control methods and regulatory actions limiting the availability of control methods.

"(2) Report.—The Secretary of Agriculture shall, not later than 180 days after the date of enactment of this subsection and annually thereafter, prepare a report and send the report to the Administrator. The report shall—

"(A) contain the information described in paragraph (1) and the information required by section 1651 of the Food, Agriculture, Conservation, and Trade Act of 1990;

"(B) identify the crucial pest control needs where a shortage of control methods is indicated by the information described in paragraph (1); and

"(C) describe in detail research and extension efforts designed to address the needs identified in subparagraph (B).

"(c) Integrated Pest Management.—The Administrator, in cooperation with the Secretary of Agriculture, shall develop approaches to the control of pests based on integrated pest management that respond to the needs of producers, with a special emphasis on minor pests.".

SEC. 1496. CONFORMING AMENDMENTS TO TABLE OF CONTENTS.

The table of contents in section 1(b) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. prec. 121) is amended—

(1) by striking out the item relating to section 6(f)(1) and inserting in lieu thereof the following new item:

"(1) Voluntary cancellation.";

(2) by adding at the end of the item relating to section 6(f) the following new item:

"(3) Transfer of registration of pesticides registered for minor agricultural uses.";

and

(3) by striking the items relating to section 28 and inserting the following new items:

"Sec. 28. Identification of pests; cooperation with Department of Agriculture's program.
"(a) In general.
"(b) Pest control availability.
"(1) In general.
"(2) Report.
"(c) Integrated pest management.".

SEC. 1497. INTER-REGIONAL RESEARCH PROJECT NUMBER 4 (IR-4 PROGRAM).

Section 2 of the Act entitled "An Act to facilitate the work of the Department of Agriculture, and for other purposes", approved August 4, 1965 (7 U.S.C. 450i), is amended—

(1) by redesignating subsections (e) through (i) as subsections (f) through (j), respectively;

(2) by inserting after subsection (d) the following new subsection:

"(e)(1) The Secretary of Agriculture shall establish an Inter-Regional Research Project Number 4 (hereinafter referred to in this section as the 'IR-4 Program') to assist in the collection of residue and efficacy data in support of—

"(A) the registration or reregistration of minor use pesticides under the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.); and

"(B) tolerances for residues of minor use chemicals in or on raw agricultural commodities under sections 408 and 409 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 346a,348).

"(2) The Secretary shall carry out the IR-4 program in cooperation with the Administrator of the Environmental Protection Agency, State agricultural experiment stations, colleges and universities, extension services, private industry, and other interested parties.

"(3) In carrying out the IR-4 program, the Secretary shall give priority to registrations, reregistrations, and tolerances for pesticide uses related to the production of agricultural crops for food use.

"(4) As part of carrying out the IR-4 program, the Secretary shall—

"(A) participate in research activities aimed at reducing residues of pesticides registered for minor agricultural use;

"(B) develop analytical techniques applicable to residues of pesticides registered for minor agricultural use, including automation techniques and validation of analytical methods; and

"(C) coordinate with other programs within the Department of Agriculture and the Environmental Protection Agency designed to develop and promote biological and other alternative control measures.

"(5) The Secretary shall prepare and submit, to appropriate Committees of Congress, a report on an annual basis that contains—

"(A) a listing of all registrations, reregistrations, and tolerances for which data has been collected in the preceding year;

"(B) a listing of all registration, reregistrations, and tolerances for which data collection is scheduled to occur in the following year, with an explanation of the priority system used to develop this list;

"(C) a listing of all activities the IR-4 program has carried out pursuant to paragraph (4).

"(6) The Secretary shall submit to Congress within one year of the date of the enactment of this paragraph a report detailing the feasibility of requiring recoupment of the costs of developing residue data for registrations, reregistrations or tolerances under this program. Such recoupment shall only apply to those registrants which make a profit on such registration, reregistration, or tolerance subse-

quent to residue data development under this program. Such report shall include:

"(A) an analysis of possible benefits to the IR-4 program of such a recoupment;

"(B) an analysis of the impact of such a payment on the availability of registrants to pursue registrations or reregistrations of minor use pesticides; and

"(C) recommendations for implementation of such a recoupment policy.

"(7) There are authorized to be appropriated $25,000,000 for fiscal year 1991, and such sums as are necessary for subsequent fiscal years to carry out this section."; and

(3) by inserting in subsection (g) following "subsection (b)" the following: "and subsection (e)".

SEC. 1498. BIOLOGICAL PESTICIDE HANDLING STUDY.

(a) STUDY.—Not later than September 30, 1992, the National Academy of Sciences shall conduct a study of the biological control programs and registration procedures utilized by the Food and Drug Administration, the Animal and Plant Health Inspection Service, and the Environmental Protection Agency.

(b) DEVELOPMENT OF PROCEDURES.—Not later than 1 year after the completion of the study under subsection (a), the agencies and offices described in such subsection shall develop and implement a common process for reviewing and approving biological control applications that are submitted to such agencies and offices that shall be based on the study conducted under such subsection and the recommendation of the National Academy of Sciences, and other public comment.

SEC. 1499. WATER POLICY WITH RESPECT TO AGRICHEMICALS.

(a) AUTHORITY.—The Department of Agriculture shall be the principal Federal agency responsible and accountable for the development and delivery of educational programs, technical assistance, and research programs for the users and dealers of agrichemicals to insure that—

(1) the use, storage, and disposal of agrichemicals by users is prudent, economical, and environmentally sound; and

(2) agrichemical users, dealers, and the general public understand the implications of their actions and the potential effects on water.

The Secretary is authorized to undertake such programs and assistance in cooperation with other Federal, State, and local governments and agencies, and appropriate nonprofit organizations. The Secretary shall disseminate the results of efforts in extension, technical assistance, research, and related activities. The Secretary shall undertake activities under this subtitle in coordination with the Office of Environmental Quality in section 1612 of this Act.

(b) AFFECT ON EXISTING AUTHORITY.—The authority granted in subsection (a) does not alter or effect the responsibility of the Environmental Protection Agency under the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.).

(c) PARTICIPATION.—The following agencies shall participate in the Department's water program: the Agricultural Research Service; the Agricultural Stabilization and Conservation Service; the

Animal Plant Health Inspection Service; the Cooperative State Research Service in conjunction with the system of State agricultural experiment stations; the Economic Research Service; the Extension Service, in conjunction with State and county cooperative extension services; the Forest Service; the National Agricultural Library; the National Agricultural Statistics Service; the Soil Conservation Service; and other agencies within the Department deemed appropriate by the Secretary.

TITLE XV—AGRICULTURAL TRADE

SEC. 1501. SHORT TITLE.

This title may be cited as the "Agricultural Development and Trade Act of 1990".

Subtitle A—Agricultural Trade Development and Assistance Act of 1954

SEC. 1511. SHORT TITLE.

This subtitle may be cited as the "Mickey Leland Food for Peace Act".

SEC. 1512. AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954.

The Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) is amended to read as follows:

"SECTION 1. SHORT TITLE.

"This Act may be cited as the 'Agricultural Trade Development and Assistance Act of 1954'.

"SEC. 2. UNITED STATES POLICY.

"It is the policy of the United States to use its abundant agricultural productivity to promote the foreign policy of the United States by enhancing the food security of the developing world through the use of agricultural commodities and local currencies accruing under this Act to—

"(1) combat world hunger and malnutrition and their causes;

"(2) promote broad-based, equitable, and sustainable development, including agricultural development;

"(3) expand international trade;

"(4) develop and expand export markets for United States agricultural commodities; and

"(5) foster and encourage the development of private enterprise and democratic participation in developing countries.

"SEC. 3. GLOBAL FOOD AID NEEDS.

"In view of the principal findings of the National Research Council of the National Academy of Sciences that doubling food aid above 1990 levels of about 10,000,000 metric tons per year would be necessary to meet projected global food needs throughout the decade of the nineties, it is the sense of Congress that the President should—

"(1) increase the contributions of food aid by the United States, and encourage other donor countries to increase their contributions toward meeting new food aid requirements; and

"(2) encourage other advanced nations to make increased food aid contributions to combat world hunger and malnutrition, particularly through the expansion of international food and agricultural assistance programs.

"TITLE I—TRADE AND DEVELOPMENT ASSISTANCE

"SEC. 101. TRADE AND DEVELOPMENT ASSISTANCE.

"(a) IN GENERAL.—The President shall establish a program under this title to provide for the sale of agricultural commodities to developing countries for dollars on credit terms, or for local currencies (including for local currencies on credit terms) for use under this title. Such program shall be implemented by the Secretary.

"(b) GENERAL AUTHORITY.—To carry out the policies and accomplish the objectives described in section 2, the Secretary may negotiate and execute agreements with developing countries to finance the sale and exportation of agricultural commodities to such countries.

"SEC. 102. ELIGIBLE COUNTRIES.

"(a) IN GENERAL.—A country shall be considered to be a developing country and eligible for assistance under this title if such country has a shortage of foreign exchange earnings and has difficulty meeting all of its food needs through commercial channels, as determined by the Secretary.

"(b) PRIORITY.—In determining whether and to what extent agricultural commodities will be made available to developing countries under this title, the Secretary shall give priority to developing countries that—

"(1) demonstrate the greatest need for food;

"(2) are undertaking measures for economic development purposes to improve food security and agricultural development, alleviate poverty, and promote broad-based equitable and sustainable development; and

"(3) have the demonstrated potential to become commercial markets for competitively priced United States agricultural commodities.

"SEC. 103. TERMS AND CONDITIONS OF SALES.

"(a) PAYMENT.—

"(1) DOLLARS.—Except as provided in paragraph (2), agreements under this title shall require that payment for agricultural commodities be made in dollars.

"(2) LOCAL CURRENCIES.—

"(A) IN GENERAL.—The Secretary may permit a recipient country to make payment under an agreement under this title in the local currency of such country in order to use the proceeds from such payments to carry out activities under section 104.

"(B) RATES OF EXCHANGE.—Payments in local currency shall be at rates of exchange that are no less favorable

than the highest exchange rate legally obtainable in the country and that are no less favorable than the highest exchange rate obtainable by any other country.

"(b) INTEREST.—Such agreements shall provide that interest accrue on the payment deferred under such agreement at a concessional rate as determined appropriate by the Secretary.

"(c) DURATION.—Payments required under such agreements may be made in reasonable annual amounts over the period (not less than 10 nor more than 30 years from the date of the last delivery of commodities in each year under such agreement) specified in the agreement.

"(d) DEFERRAL OF PAYMENTS.—The Secretary may defer the date on which the recipient country is required to begin making payment, under such agreements, for a period of not in excess of 7 years after the date of the last delivery of commodities in each year under the agreement, and interest shall be computed from the date of such last delivery.

"(e) DELIVERY OF COMMODITIES.—Delivery of the commodities shall be made in accordance with the terms of the agreement.

"SEC. 104. USE OF LOCAL CURRENCY PAYMENT.

"(a) IN GENERAL.—Agreements under this title may provide that the Secretary shall use payments made in local currencies by the recipient country in accordance with this section.

"(b) SPECIAL ACCOUNT.—Foreign currencies received by the Secretary under this title shall be deposited in a separate account, that may be interest-bearing, to the credit of the United States and such currencies and interest thereon shall be used as provided for in this section.

"(c) ACTIVITIES.—The proceeds from the payments referred to in subsection (a) may be used in the recipient country for the following:

"(1) TRADE DEVELOPMENT.—To carry out programs to help develop markets for United States agricultural commodities on a mutually beneficial basis in the recipient country.

"(2) AGRICULTURAL DEVELOPMENT.—To support—

"(A) increased agricultural production, including availability of agricultural inputs, with emphasis on small farms, processing of agricultural commodities, forestry management, and land and water management;

"(B) credit policies for private-sector agriculture development;

"(C) establishment and expansion of institutions for basic and applied agricultural research and the use of such research through development of extension services; and

"(D) programs to control rodents, insects, weeds, and other animal or plant pests.

"(3) AGRICULTURAL BUSINESS DEVELOPMENT LOANS.—To make loans to United States business entities (including cooperatives) and branches, subsidiaries, or affiliates of such entities for agricultural business development and agricultural trade expansion in such recipient countries.

"(4) AGRICULTURAL FACILITIES LOANS.—To make loans to domestic or foreign entities (including cooperatives) for the establishment of facilities for aiding in the utilization or distribu-

tion of, or otherwise increasing the consumption of and markets for, United States agricultural products.

"(5) TRADE PROMOTION.—To promote agricultural trade development, under procedures established by the Secretary, by making loans or through other activities (including trade fairs) that the Secretary determines to be appropriate.

"(6) PRIVATE SECTOR AGRICULTURAL TRADE DEVELOPMENT.—To conduct private sector agricultural trade development activities in the recipient country, as determined appropriate by the Secretary.

"(7) RESEARCH.—To conduct research in agriculture, forestry, and aquaculture, including collaborative research which is mutually beneficial to the United States and the recipient country.

"(8) UNITED STATES OBLIGATIONS.—To make payments of United States obligations (including obligations entered into pursuant to other laws).

"(d) FISCAL REQUIREMENTS REGARDING USE OF LOCAL CURRENCIES.—

"(1) EXEMPTION.—Section 1306 of title 31, United States Code, shall not apply to local currencies used by the President under paragraphs (1) through (7) of subsection (c).

"(2) USE OF CURRENCIES BY OTHER AGENCIES.—Any department or agency of the Federal Government other than the Department of Agriculture using any such local currencies for a purpose for which funds have been appropriated shall reimburse the Commodity Credit Corporation in an amount equivalent to the dollar value of the currencies used.

"SEC. 105. VALUE-ADDED FOODS.

"(a) POLICY.—Congress declares it to be the policy of the United States to assist developing countries that are or have been recipients of high protein, blended, or fortified foods under title II to continue to combat hunger and malnutrition among the lower income segments of the population of such countries, especially children, through the continued provision of such foods under this title.

"(b) PARTIAL WAIVER OF REPAYMENT.—In implementing the policy declared in subsection (a), the Secretary, in entering into agreements for the sale of high protein, blended, or fortified foods under this title with countries that—

"(1) provide assurances that the benefits of any waiver granted under this subsection will be passed on to the individual recipients of such foods; and

"(2) have a reasonable potential for transferring benefits of such waiver to commercial purchasers of such foods;

may make provisions for a waiver of payment of not to exceed an amount equal to the value of that part of the product that is attributable to the costs of processing, enrichment, or fortification of such product.

"(c) MINIMIZE IMPACT.—In implementing this section, the Secretary shall, to the extent practicable, minimize the impact of this section on other commercial and concessional sales of whole grains.

"TITLE II—EMERGENCY AND PRIVATE ASSISTANCE PROGRAMS

"SEC. 201. GENERAL AUTHORITY.

"The President shall establish a program under this title to provide agricultural commodities to foreign countries on behalf of the people of the United States to—

"(1) address famine or other urgent or extraordinary relief requirements;

"(2) combat malnutrition, especially in children and mothers;

"(3) carry out activities that attempt to alleviate the causes of hunger, mortality and morbidity;

"(4) promote economic and community development;

"(5) promote sound environmental practices; and

"(6) carry out feeding programs.

Such program shall be implemented by the Administrator.

"SEC. 202. PROVISION OF AGRICULTURAL COMMODITIES.

"(a) EMERGENCY ASSISTANCE.—Notwithstanding any other provision of law, the Administrator may provide agricultural commodities to meet emergency food needs under this title through governments and public or private agencies, including intergovernmental organizations such as the World Food Program and other multilateral organizations, in such manner and on such terms and conditions as the Administrator determines appropriate to respond to the emergency.

"(b) NON-EMERGENCY ASSISTANCE.—The Administrator may provide agricultural commodities for non-emergency assistance under this title through eligible organizations (as described in subsection (d)) that have entered into an agreement with the Administrator to use such commodities in accordance with this title.

"(c) USES OF ASSISTANCE.—Agricultural commodities provided under this title may be made available for direct distribution, sale, barter, or other appropriate disposition.

"(d) ELIGIBLE ORGANIZATIONS.—To be eligible to receive assistance under subsection (b) an organization shall be—

"(1) a private voluntary organization or cooperative that is, to the extent practicable, registered with the Administrator; or

"(2) an intergovernmental organization, such as the World Food Program.

"(e) SUPPORT FOR PRIVATE VOLUNTARY ORGANIZATIONS AND COOPERATIVES.—

"(1) IN GENERAL.—Of the funds made available in each fiscal year under this title to private voluntary organizations and cooperatives, not less than $10,000,000 and not more than $13,500,000 shall be made available by the Administrator to assist such organizations and cooperatives in—

"(A) establishing new programs under this title; and

"(B) meeting specific administrative, management, personnel and internal transportation and distribution costs for carrying out programs in foreign countries under this title.

"(2) Request for funds.—In order to receive funds made available under paragraph (1), a private voluntary organization or cooperative must submit a request for such funds (which must be approved by the Administrator) when submitting a proposal to the Administrator for an agreement under this title. Such request for funds shall include a specific explanation of—

"(A) the program costs to be offset by such funds;

"(B) the reason why such funds are needed in carrying out the particular assistance program; and

"(C) the degree to which such funds will improve the provision of food assistance to foreign countries (particularly those in sub-Saharan Africa suffering from acute, long-term food shortages).

"(3) Assistance with respect to sale.—Upon the request of a private voluntary organization or cooperative, the Administrator may provide assistance to that organization or cooperative with respect to the sale of agricultural commodities made available to it under this title.

"(f) Effective Use of Commodities.—To ensure that agricultural commodities made available under this title are used effectively and in the areas of greatest need, organizations or cooperatives through which such commodities are distributed shall—

"(1) to the extent feasible, work with indigenous institutions and employ indigenous workers;

"(2) assess and take into account nutritional and other needs of beneficiary groups;

"(3) help such beneficiary groups design and carry out mutually acceptable projects;

"(4) recommend to the Administrator methods of making assistance available that are the most appropriate for each local setting;

"(5) supervise the distribution of commodities provided and the implementation of programs carried out under this title; and

"(6) periodically evaluate the effectiveness of projects undertaken under this title.

"(g) Labeling.—Commodities provided under this title shall, to the extent practicable, be clearly identified with appropriate markings on the package or container of such commodity in the language of the locality in which such commodities are distributed, as being furnished by the people of the United States of America.

"SEC. 203. GENERATION AND USE OF FOREIGN CURRENCIES BY PRIVATE VOLUNTARY ORGANIZATIONS AND COOPERATIVES.

"(a) Local Sale and Barter of Commodities.—An agreement entered into between the Administrator and a private voluntary organization or cooperative to provide food assistance through such organization or cooperative under this title may provide for the sale or barter in the recipient country of the commodities to be provided under such agreement.

"(b) Minimum Level of Local Sales.—In carrying out agreements of the type referred to in subsection (a), the Administrator shall permit private voluntary organizations and cooperatives to sell, in recipient countries, an amount of commodities equal to not

less than 10 percent of the aggregate amounts of all commodities distributed under non-emergency programs under this title for each fiscal year, to generate foreign currency proceeds to be used as provided in this section.

"(c) Description of Intended Uses.—A private voluntary organization or cooperative submitting a proposal to enter into a non-emergency food assistance agreement under this title shall include in such proposal a description of the intended uses of any foreign currency proceeds that may be generated through the sale, in the recipient country, of any commodities provided under an agreement entered into between the Administrator and the organization or cooperative.

"(d) Use.—Foreign currencies generated from any partial or full sale or barter of commodities by a private voluntary organization or cooperative under a non-emergency food assistance agreement under this title may—

"(1) be used to transport, store, distribute, and otherwise enhance the effectiveness of the use of agricultural commodities provided under this title;

"(2) be used to implement income generating, community development, health, nutrition, cooperative development, agricultural, and other developmental activities within the recipient country; or

"(3) be invested and any interest earned on such investment may be used for the purposes for which the assistance was provided to that organization, without further appropriation by Congress.

"SEC. 204. LEVELS OF ASSISTANCE.

"(a) Minimum Levels.—

"(1) Minimum assistance.—Except as provided in paragraph (3), the Administrator shall make agricultural commodities available for food distribution under this title in an amount that—

"(A) for fiscal year 1991, is not less than 1,925,000 metric tons;

"(B) for fiscal year 1992, is not less than 1,950,000 metric tons;

"(C) for fiscal year 1993, is not less than 1,975,000 metric tons;

"(D) for fiscal year 1994, is not less than 2,000,000 metric tons; and

"(E) for fiscal year 1995, is not less than 2,025,000 metric tons.

"(2) Minimum non-emergency assistance.—Of the amounts specified in paragraph (1), and except as provided in paragraph (3), the Administrator shall make agricultural commodities available for non-emergency food distribution through eligible organizations under section 202 in an amount that—

"(A) for fiscal year 1991, is not less than 1,450,000 metric tons;

"(B) for fiscal year 1992, is not less than 1,475,000 metric tons;

"(C) for fiscal year 1993, is not less than 1,500,000 metric tons;

"(D) for fiscal year 1994, is not less than 1,525,000 metric tons; and

"(E) for fiscal year 1995, is not less than 1,550,000 metric tons.

"(3) EXCEPTION.—The Administrator may waive the requirements of paragraphs (1) and (2) for any fiscal year if the Administrator determines that such quantities of commodities cannot be used effectively to carry out this title or in order to meet an emergency. In making a waiver under this paragraph, the Administrator shall prepare and submit to the Committee on Foreign Affairs and Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report containing the reasons for the waiver.

"(b) USE OF VALUE-ADDED COMMODITIES.—

"(1) MINIMUM LEVELS.—Except as provided in paragraph (2), in making agricultural commodities available under this title, the Administrator shall ensure that not less than 75 percent of the quantity of such commodities required to be distributed during each fiscal year under subsection (a)(2) be in the form of processed, fortified, or bagged commodities.

"(2) WAIVER OF MINIMUM.—The Administrator may waive the requirement of paragraph (1) for any fiscal year in which the Administrator determines that the requirements of the programs established under this title will not be best served by the enforcement of such requirement under such paragraph.

"SEC. 205. FOOD AID CONSULTATIVE GROUP.

"(a) ESTABLISHMENT.—There is established a Food Aid Consultative Group (hereinafter referred to in this section as the 'Group') that shall meet regularly to review and address issues concerning the effectiveness of the regulations and procedures that govern food assistance programs established and implemented under this title, and the implementation of other provisions of this title that may involve private voluntary organizations, cooperatives and indigenous non-governmental organizations.

"(b) MEMBERSHIP.—The Group shall be composed of—

"(1) the Administrator;

"(2) the Under Secretary for International Affairs and Commodity Programs;

"(3) the Inspector General of the Agency for International Development;

"(4) a representative of each private voluntary organization and cooperative participating in a program under this title, or receiving planning assistance funds from the Agency to establish programs under this title; and

"(5) representatives from African, Asian and Latin American indigenous non-governmental organizations determined appropriate by the Administrator.

"(c) CHAIRPERSON.—The Administrator shall be the chairperson of the Group.

"(d) CONSULTATIONS.—In preparing regulations, handbooks, or guidelines implementing this title, or significant revisions thereto, the Administrator shall provide such proposals to the Group for review and comment. The Administrator shall consult and, when appropriate, meet with the Group regarding such proposed regulations, handbooks, guidelines, or revisions thereto prior to the issuance of such.

"(e) ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Group.

"(f) TERMINATION.—The Group shall terminate on December 31, 1995.

"SEC. 206. MAXIMUM LEVEL OF EXPENDITURES.

"(a) MAXIMUM EXPENDITURES.—Except as provided in subsection (b), programs of assistance shall not be undertaken under this title during any fiscal year if such programs necessitate an appropriation of more than $1,000,000,000 to reimburse the Commodity Credit Corporation for all costs incurred in connection with such programs (including the Corporation's investment in commodities made available).

"(b) WAIVER BY PRESIDENT.—The President may waive the limitation contained in subsection (a) if the President determines that such waiver is necessary to undertake programs of assistance to meet urgent humanitarian or emergency needs.

"SEC. 207. ADMINISTRATION.

"(a) PROPOSALS.—

"(1) TIME FOR DECISION.—Not later than 45 days after the receipt by the Administrator of a proposal submitted—

"(A) by a private voluntary organization or cooperative, with the concurrence of the appropriate United States field mission, for commodities; or

"(B) by a United States field mission to make commodities available to a private voluntary organization or cooperative;

under this title, the Administrator shall make a decision concerning such proposal.

"(2) DENIAL.—If a proposal under paragraph (1) is denied, the response shall specify the reasons for denial and the conditions that must be met for the approval of such proposal.

"(b) NOTICE AND COMMENT.—Not later than 30 days prior to the issuance of a final guideline to carry out this title, the Administrator shall—

"(1) provide notice of the existence of a proposed guideline, and that such guideline is available for review and comment, to private voluntary organizations and cooperatives that participate in programs under this title, and to other interested persons;

"(2) make the proposed guideline available, on request, to the organizations, cooperatives, and other persons referred to in paragraph (1); and

"(3) take any comments received into consideration prior to the issuance of the final guideline.

"(c) REGULATIONS.—

"(1) IN GENERAL.—*The Administrator shall promptly issue all necessary regulations and make revisions to agency guidelines with respect to changes in the operation or implementation of the program established under this title.*

"(2) REQUIREMENTS.—*The Administrator shall develop regulations with the intent of—*

"(A) *simplifying procedures for participation in the programs established under this title;*

"(B) *reducing paperwork requirements under such programs;*

"(C) *establishing reasonable and realistic accountability standards to be applied to eligible organizations participating in the programs established under this title, taking into consideration the problems associated with carrying out programs in developing countries; and*

"(D) *providing flexibility for carrying out programs under this title.*

"(3) HANDBOOKS.—*Handbooks developed by the Administrator to assist in carrying out the program under this title shall be designed to foster the development of programs under this title by eligible organizations.*

"(d) DEADLINE FOR SUBMISSION OF COMMODITY ORDERS.—*Not later than 15 days after receipt from a United States field mission of a call forward for agricultural commodities for programs that meet the requirements of this title, the order for the purchase or the supply, from inventory, of such commodities or products shall be transmitted to the Commodity Credit Corporation.*

"TITLE III—FOOD FOR DEVELOPMENT

"SEC. 301. BILATERAL GRANT PROGRAM.

"(a) IN GENERAL.—*The President shall establish a program under which agricultural commodities are donated in accordance with this title to least developed countries. The revenue generated by the sale of such commodities in the recipient country may be utilized for economic development activities. Such program shall be implemented by the Administrator.*

"(b) GENERAL AUTHORITY.—*To carry out the policies and accomplish the objectives described in section 2, the Administrator may negotiate and execute agreements with least developed countries to provide commodities to such countries on a grant basis.*

"SEC. 302. ELIGIBLE COUNTRIES.

"(a) LEAST DEVELOPED COUNTRIES.—*A country shall be considered to be a least developed country and eligible for the donation of agricultural commodities under this title if—*

"(1) *such country meets the poverty criteria established by the International Bank for Reconstruction and Development for Civil Works Preference for providing financial assistance; or*

"(2) *such country is a food deficit country and is characterized by high levels of malnutrition among significant numbers of its population, as determined by the Administrator under subsection (b).*

"(b) Indicators of Food Deficit Countries.—To make a finding under subsection (a)(2) that a country is a food deficit country and is characterized by high levels of malnutrition, the Administrator must determine that the country meets all of the following indicators of national food deficit and malnutrition:

"(1) Calorie consumption.—That the daily per capita calorie consumption of the country is less than 2300 calories.

"(2) Food security requirements.—That the country cannot meet its food security requirements through domestic production or imports due to a shortage of foreign exchange earnings.

"(3) Child mortality rate.—That the mortality rate of children under 5 years of age in the country is in excess of 100 per 1000 births.

"(c) Priority.—In determining whether and to what extent agricultural commodities shall be made available to least developed countries under this title, the Administrator shall give priority to countries that—

"(1) demonstrate the greatest need for food;

"(2) demonstrate the capacity to use food assistance effectively;

"(3) have demonstrated a commitment to policies to promote food security, including policies to reduce measurably hunger and malnutrition through efforts such as establishing and institutionalizing supplemental nutrition programs targeted to reach those who are nutritionally at risk; and

"(4) have a long-term plan for broad-based, equitable, and sustainable development.

"SEC. 303. GRANT PROGRAMS.

"To carry out the policies and accomplish the objectives described in section 2, the Administrator may negotiate and execute agreements with least developed countries to provide commodities to such countries on a grant basis either through the Commodity Credit Corporation or through private trade channels.

"SEC. 304. DIRECT USES OR SALES OF COMMODITIES.

"Agricultural commodities provided to a least developed country under this section—

"(1) may be used in such country for—

"(A) direct feeding programs, including programs that include activities that deal directly with the special health needs of children and mothers consistent with section 104(c)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b(c)(2)), relating to the Child Survival Fund; or

"(B) the development of emergency food reserves; or

"(2) may be sold in such country by the government of the country or the Administrator (or their designees) as provided in the agreement, and the proceeds of such sale used in accordance with this title.

"SEC. 305. LOCAL CURRENCY ACCOUNTS.

"(a) Retention of Proceeds.—To the extent determined to be appropriate by the Administrator, revenues generated from the sale, under section 304(2), of agricultural commodities provided under this title shall be deposited into a separate account (that may be in-

terest bearing) in the recipient country to be disbursed for the benefit of such country in accordance with local currency agreements entered into between the recipient country and the Administrator. The Administrator may determine not to deposit such revenues in a separate account if—

"(1) local currencies are to be programmed for specific economic development purposes listed in section 306(a); and

"(2) the recipient country programs an equivalent amount of money for such purposes as specified in an agreement entered into by the Administrator and the recipient country.

"(b) OWNERSHIP AND PROGRAMMING OF ACCOUNTS.—The proceeds of sales pursuant to section 304(2) shall be the property of the recipient country or the United States, as specified in the applicable agreement. Such proceeds shall be utilized for the benefit of the recipient country, shall be jointly programmed by the Administrator and the government of the recipient country, and shall be disbursed for the benefit of such country in accordance with local currency agreements between the Administrator and that government.

"(c) OVERALL DEVELOPMENT STRATEGY.—The Administrator shall consider the local currency proceeds as an integral part of the overall development strategy of the Agency for International Development and the recipient country.

"SEC. 306. USE OF LOCAL CURRENCY PROCEEDS.

"(a) IN GENERAL.—The local currency proceeds of sales pursuant to section 304(2) shall be used in the recipient country for specific economic development purposes, including—

"(1) the promotion of specific policy reforms to improve food security and agricultural development within the country and to promote broad-based, equitable, and sustainable development;

"(2) the establishment of development programs, projects, and activities that promote food security, alleviate hunger, improve nutrition, and promote family planning, maternal and child health care, oral rehydration therapy, and other child survival objectives consistent with section 104(c)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b(c)(2)), relating to the Child Survival Fund;

"(3) the promotion of increased access to food supplies through the encouragement of specific policies and programs designed to increase employment and incomes within the country;

"(4) the promotion of free and open markets through specific policies and programs;

"(5) support for United States private voluntary organizations and cooperatives and encouragement of the development and utilization of indigenous nongovernmental organizations;

"(6) the purchase of agricultural commodities (including transportation and processing costs) produced in the country—

"(A) to meet urgent or extraordinary relief requirements in the country or in neighboring countries; or

"(B) to develop emergency food reserves;

"(7) the purchase of goods and services (other than agricultural commodities and related services) to meet urgent or extraordinary relief requirements;

"(8) the payment, to the extent practicable, of the costs of carrying out the program authorized in title V;

"(9) private sector development activities designed to further the policies set forth in section 2, including loans to financial intermediaries for use in making loans to private individuals, cooperatives, corporations, or other entities;

"(10) activities of the Peace Corps that relate to agricultural production;

"(11) the development of rural infrastructure such as roads, irrigation systems, and electrification to enhance agricultural production;

"(12) research on malnutrition and its causes, as well as research relating to the identification and application of policies and strategies for targeting resources made available under this section to address the problem of malnutrition; and

"(13) support for research (including collaborative research which is mutually beneficial to the United States and the recipient country), education, and extension activities in agricultural sciences.

Section 1306 of title 31, United States Code, shall not apply to the use under this subsection of local currency proceeds that are owned by the United States.

"(b) SUPPORT OF INDIGENOUS NON-GOVERNMENTAL ORGANIZATIONS.—To the extent practicable, not less than 10 percent of the amounts contained in an account established for a recipient country under section 305(a) shall be used by such country to support the development and utilization of indigenous nongovernmental organizations and cooperatives that are active in rural development, agricultural education, sustainable agricultural production, other measures to assist poor people, and environmental protection projects within such country.

"(c) INVESTMENT OF LOCAL CURRENCIES BY NONGOVERNMENTAL ORGANIZATIONS.—A nongovernmental organization may invest local currencies that accrue to that organization as a result of assistance under subsection (a), and any interest earned on such investment may be used for the purpose for which the assistance was provided to that organization without further appropriation by the Congress.

"(d) SUPPORT FOR CERTAIN EDUCATIONAL INSTITUTIONS.—If the Administrator determines that local currencies deposited in a special account pursuant to this title are not needed for any of the activities prescribed in paragraphs (1) through (13) of subsection (a) or for any other specific economic development purpose in the recipient country, the Administrator may use those currencies to provide support for any institution (other than an institution whose primary purpose is to provide religious education) located in the recipient country that provides education in agricultural sciences or other disciplines for a significant number of United States nationals (who may include members of the United States Armed Forces or the Foreign Service or dependents of such members).

"TITLE IV—GENERAL AUTHORITIES AND REQUIREMENTS

"SEC. 401. COMMODITY DETERMINATIONS.

"(a) AVAILABLE COMMODITIES.—After consulting with other agencies of the Federal Government affected and within policies established by the President for implementing this Act, and after taking into consideration productive capacity, domestic requirements, farm and consumer price levels, commercial exports, and adequate carryover, the Secretary shall determine, prior to the beginning of each fiscal year, the agricultural commodities and quantities thereof available for disposition under this Act.

"(b) MODIFICATION.—The Secretary may, during the fiscal year, modify a determination made under subsection (a) if the Secretary provides to the Congress prior notice of that modification (including a statement of the reasons for the modification).

"(c) COMMODITIES NOT AVAILABLE.—No commodity shall be available for disposition under this Act if such disposition would reduce the domestic supply of such commodity below that needed to meet domestic requirements, adequate carryover, and anticipated exports for dollars as determined by the Secretary, unless the Secretary determines that some part of the supply should be used to carry out urgent humanitarian purposes under this Act.

"(d) POLICIES FOR IMPLEMENTING ACT.—The Secretary shall, to the extent practicable, seek to maintain a stable level of available agricultural commodities under this Act of the kind and type needed to provide food assistance to developing countries and should attempt to make such commodities available to the degree necessary to fulfill multi-year agreements entered into under this Act.

"(e) INELIGIBLE COMMODITIES.—

"(1) ALCOHOLIC BEVERAGES.—Alcoholic beverages shall not be made available for disposition under this Act.

"(2) TOBACCO.—Tobacco or the products thereof shall not be made available under section 303 of title II of this Act.

"(f) MARKET DEVELOPMENT ACTIVITIES.—Subsection (e)(1) shall not be construed to prohibit representatives of the United States wine, beer, distilled spirits, or other alcoholic beverage industry from participating in agricultural market development activities carried out by the Secretary with foreign currencies made available under title I of this Act.

"SEC. 402. DEFINITIONS.

"As used in this Act:

"(1) ADMINISTRATOR.—The term 'Administrator' means the Administrator of the Agency for International Development, unless otherwise specified in this Act.

"(2) AGRICULTURAL COMMODITY.—The term 'agricultural commodity', unless otherwise provided for in this Act, includes any agricultural commodity or the products thereof produced in the United States, including wood and processed wood products, fish, and livestock as well as value-added, fortified, or high-value agricultural products. Effective beginning on October 1,

1991, for purposes of title II, a product of an agricultural commodity shall not be considered to be produced in the United States if it contains any ingredient that is not produced in the United States, if that ingredient is produced and is commercially available in the United States at fair and reasonable prices.

"(3) COOPERATIVE.—The term 'cooperative' means a private sector organization whose members own and control the organization and share in its services and its profits and that provides business services and outreach in cooperative development for its membership.

"(4) DEVELOPING COUNTRY.—The term 'developing country' means a country that has a shortage of foreign exchange earnings and has difficulty meeting all of its food needs through commercial channels.

"(5) FOOD SECURITY.—The term 'food security' means access by all people at all times to sufficient food and nutrition for a healthy and productive life.

"(6) INDIGENOUS NONGOVERNMENTAL ORGANIZATION.—The term 'indigenous nongovernmental organization' means an organization that operates under the laws of the recipient country, or that has its principal place of activity in such country, and that works at the local level to solve development problems in the foreign country in which it is located, except that the term does not include an organization that is primarily an agent or instrumentality of the foreign government.

"(7) PRIVATE VOLUNTARY ORGANIZATION.—The term 'private voluntary organization' means a not-for-profit, nongovernmental organization (in the case of a United States organization, an organization that is exempt from Federal income taxes under section 501(c)(3) of the Internal Revenue Code of 1986) that receives funds from private sources, voluntary contributions of money, staff time, or in-kind support from the public, and that is engaged in or is planning to engage in voluntary, charitable, or development assistance activities (other than religious activities).

"(8) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture, unless otherwise specified in this Act.

"SEC. 403. GENERAL PROVISIONS.

"(a) PROHIBITION.—No agricultural commodity shall be made available under this Act unless it is determined that—

"(1) adequate storage facilities will be available in the recipient country at the time of the arrival of the commodity to prevent the spoilage or waste of the commodity; and

"(2) the distribution of the commodity in the recipient country will not result in a substantial disincentive to or interference with domestic production or marketing in that country.

"(b) CONSULTATIONS.—The Secretary or the Administrator, as appropriate, shall consult with representatives from the International Monetary Fund, the International Bank for Reconstruction and Development, the World Bank, and other donor organizations to ensure that the importation of United States agricultural commodities and the use of local currencies for development purposes will

not have a disruptive impact on the farmers or the local economy of the recipient country.

"(c) Transshipment.—The Secretary or the Administrator, as appropriate, shall, under such terms and conditions as are determined to be appropriate, require commitments from countries designed to prevent or restrict the resale or transshipment to other countries, for use for other than domestic purposes, of agricultural commodities donated or purchased under this Act.

"(d) Private Trade Channels and Small Business.—Private trade channels shall be used under this Act to the maximum extent practicable in the United States and in the recipient countries with respect to—

"(1) sales from privately owned stocks;

"(2) sales from stocks owned by the Commodity Credit Corporation; and

"(3) donations.

Small businesses shall be provided adequate and fair opportunity to participate in such sales.

"(e) World Prices.—In carrying out this Act, reasonable precautions shall be taken to assure that sales or donations of agricultural commodities will not unduly disrupt world prices for agricultural commodities or normal patterns of commercial trade with foreign countries.

"(f) Publicity.—Commitments shall be obtained from countries receiving commodities under this Act that such countries will widely publicize, to the extent practicable, through the use of the public media and through other means, that such commodities are being provided through the friendship of the American people as food for peace.

"(g) Participation of Private Sector.—The Secretary or the Administrator, as appropriate, shall encourage the private sector of the United States and private importers in developing countries to participate in the programs established under this Act.

"(h) Safeguard Usual Marketings.—In carrying out this Act, reasonable precautions shall be taken to safeguard the usual marketings of the United States and to avoid displacing any sales of the United States agricultural commodities that the Secretary or Administrator determines would otherwise be made.

"(i) Military Distribution of Food Aid.—

"(1) In general.—The Secretary or the Administrator, as appropriate, shall attempt to ensure that agricultural commodities made available under this Act will be provided without regard to the political affiliation, geographic location, ethnic, tribal, or religious identity of the recipient or without regard to other extraneous factors.

"(2) Prohibition on handling of commodities by the military.—

"(A) In general.—Except as provided in subparagraph (B), the Secretary or the Administrator, as appropriate, shall not enter into an agreement under this Act to provide agricultural commodities if such agreement requires or permits the distribution, handling, or allocation of such commodities by the military forces of any government or insurgent group.

"(B) EXCEPTION.—Notwithstanding subparagraph (A), the Secretary or the Administrator, as appropriate, may authorize the handling or distribution of commodities by the military forces of a country in exceptional circumstances in which—

"(i) nonmilitary channels are not available for such handling or distribution;

"(ii) such action is consistent with the requirements of paragraph (1); and

"(iii) the Secretary or the Administrator, as appropriate, determines that such action is necessary to meet the emergency health, safety, or nutritional requirements of the recipient population.

"(C) REPORT.—Not later than 30 days after an authorization is provided under subparagraph (B), the Secretary or the Administrator, as appropriate, shall prepare and submit to the appropriate Committees of Congress a report concerning such authorization and include in any such report the reason for the authorization, including an explanation of why no alternatives to such handling or distribution were available.

"(3) ENCOURAGEMENT OF SAFE PASSAGE.—When entering into agreements under this Act that involve areas within recipient countries that are experiencing protracted warfare or civil strife, the Secretary or the Administrator, as appropriate, shall, to the extent practicable, encourage all parties to the conflict to permit safe passage of the commodities and other relief supplies and to establish safe zones for medical and humanitarian treatment and evacuation of injured persons.

"(j) VIOLATIONS OF HUMAN RIGHTS.—

"(1) INELIGIBLE COUNTRIES.—The Secretary or the Administrator, as appropriate, shall not enter into any agreement under this Act to provide agricultural commodities, or to finance the sale of agricultural commodities, to the government of any country determined by the President to engage in a consistent pattern of gross violations of internationally recognized human rights, including—

"(A) the torture or cruel, inhuman, or degrading treatment or punishment of individuals;

"(B) the prolonged detention of individuals without charges;

"(C) the responsibility for causing the disappearance of individuals through the abduction and clandestine detention of such individuals; or

"(D) other flagrant denials of the right to life, liberty, and the security of persons.

"(2) WAIVER.—Paragraph (1) shall not prohibit the provision of assistance to such a country if the assistance is targeted to the most needy people in such country and is made available in such country through channels other than the government.

"(k) ABORTION PROHIBITION.—Local currencies that are made available for use under this Act may not be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions.

"SEC. 404. AGREEMENTS.

"(a) In General.—Before entering into agreements under titles I and III for the provision of commodities, the Secretary or the Administrator, as appropriate, shall consider the extent to which the recipient country is undertaking measures for economic development purposes in order to improve food security and agricultural development, alleviate poverty, and promote broad-based, equitable, and sustainable development.

"(b) Terms of Agreement.—An agreement entered into under this Act shall—

"(1) include an estimate of the annual value or volume of agricultural commodities proposed to be made available to the country or eligible organization under the agreement;

"(2) with respect to agreements entered into under titles I and III, include a statement of the manner in which the agricultural commodities provided under the agreement or the revenues generated by the sale of such commodities (if such commodities are sold), will be integrated into the overall development plans of the country to improve food security and agricultural development, alleviate poverty, and promote broad-based, equitable, and sustainable agriculture;

"(3) with respect to agreements entered into under titles I and III, include a statement of the manner in which competitive private sector participation within the recipient country in the storage, marketing, transportation, and distribution of agricultural commodities made available under this Act will be encouraged;

"(4) include a statement that such agreement shall be subject to the availability, during each fiscal year to which the agreement applies, of the necessary appropriations and agricultural commodities; and

"(5) contain such other terms and conditions as the Secretary or the Administrator, as appropriate, determines to be necessary.

"(c) Multi-year Agreements.—

"(1) In general.—Agreements to provide assistance on a multi-year basis under this Act shall be made available to recipient countries or to eligible organizations.

"(2) Exception.—The Secretary or the Administrator, as appropriate, may determine not to make assistance available on a multi-year basis with respect to a recipient country or an eligible organization if it is determined that assistance should be provided to such country or through such organization only on an annual basis because—

"(A) the past performance of the country or organization in meeting program objectives does not warrant a multi-year agreement;

"(B) it is anticipated that the need of the country or organization for food aid does not extend beyond 1 year; or

"(C) other circumstances, as determined by the Secretary or the Administrator, as appropriate, indicate there is only a need for a 1 year agreement.

"(d) Review of Agreements.—The Secretary or the Administrator, as appropriate, may make a determination to terminate, or

refuse to enter into, a multi-year agreement with respect to a recipient country if the Secretary or the Administrator determines that such country is not fulfilling the objectives or requirements of this Act. In making such a determination, the Secretary or the Administrator, as appropriate, may consider the extent to which the country is—

"(1) making significant economic development reforms;

"(2) promoting free and open markets for food and agricultural producers; and

"(3) fostering increased food security.

"SEC. 405. CONSULTATION.

"The Secretary and the Administrator shall cooperate and consult in the implementation of this Act.

"SEC. 406. USE OF COMMODITY CREDIT CORPORATION.

"(a) IN GENERAL.—The Commodity Credit Corporation shall acquire and make available such agricultural commodities (that have been determined to be available under section 401(a)) as necessary to carry out agreements under this Act.

"(b) INCLUDED EXPENSES.—With respect to commodities made available under this Act, the Commodity Credit Corporation may pay—

"(1) the cost of acquiring such commodities;

"(2) the costs associated with packaging, enrichment, preservation, and fortification of such commodities;

"(3) the processing, transportation, handling, and other incidental costs up to the time of the delivery of such commodities free on board vessels in United States ports;

"(4) the ocean freight charges from United States ports to designated ports of entry abroad;

"(5) the costs associated with transporting such commodities from United States ports to designated points of entry abroad in the case—

"(A) of landlocked countries;

"(B) of ports that cannot be used effectively because of natural or other disturbances;

"(C) of the unavailability of carriers to a specific country; or

"(D) of substantial savings in costs or items that may be effected by the utilization of points of entry other than ports;

"(6) in the case of commodities for urgent and extraordinary relief requirements (including pre-positioned commodities) the transportation costs incurred in moving the commodities from designated points of entry or ports of entry abroad to storage and distribution sites and associated storage and distribution costs; and

"(7) the charges for general average contributions arising out of the ocean transport of commodities transferred pursuant thereto.

"(c) COMMODITY CREDIT CORPORATION.—The funds, facilities, and authorities of the Commodity Credit Corporation may be used to carry out this Act.

"SEC. 407. ADMINISTRATIVE PROVISIONS.

"(a) TITLE I PROGRAMS.—

"(1) ACQUISITIONS.—The importing country shall acquire the agricultural commodities to be financed under title I.

"(2) INVITATION FOR BID.—No purchase of agricultural commodities from private stock or purchase of ocean transportation shall be financed under title I unless such purchases are made on the basis of an invitation for bid that is publicly advertised in the United States, and on the basis of bid offerings that shall conform to such invitation and be received and publicly opened in the United States. All awards in the purchase of commodities or ocean transportation financed under title I shall be consistent with open, competitive, and responsive bid procedures, as determined appropriate by the Secretary.

"(b) REPORTING OF FEES.—

"(1) REQUIREMENT.—Notwithstanding any other provision of law, any commission, fee, or other compensation of any kind paid, or to be paid, by any supplier of an agricultural commodity, or any ocean transportation financed or agricultural commodity donated by the Commodity Credit Corporation under title I to any agents, brokers, or other representatives of the importer or importing country shall be reported to the Secretary by the supplier of the commodity or ocean transportation.

"(2) CONTENT.—A report filed under paragraph (1) shall identify the person or entity to whom the payment is made and the amount of the commission or fees paid.

"(3) PUBLICATION OF INFORMATION.—The Secretary shall—

"(A) maintain all information provided under this section for public inspection;

"(B) annually publish a report containing the information referred to in subparagraph (A); and

"(C) forward a copy of the annual report referred to in subparagraph (B) to the appropriate committees of Congress.

"(4) FAILURE TO FILE.—A supplier of a commodity or ocean transportation who fails to file a report required under this subsection, or who files a false report, shall be ineligible to furnish, directly or indirectly, commodities or ocean transportation financed under title I for a period of not to exceed 5 years.

"(c) AGENTS.—

"(1) AUTHORITY OF THE SECRETARY OR COMMODITY CREDIT CORPORATION.—

"(A) GENERAL RULE.—Except as provided in subparagraph (B), if it is determined appropriate, the Secretary or the Commodity Credit Corporation may serve as the purchasing or shipping agent, or both, for the importing country in arranging the purchase or shipping of commodities financed under this section.

"(B) EXCEPTION.—Notwithstanding subparagraph (A), the Secretary or the Commodity Credit Corporation may award, under a competitive bidding process, contracts for establishing freight agents who shall act on behalf of the Secretary or the Corporation to handle the shipping of commodities financed under this Act.

"(C) AVOIDANCE OF CONFLICT OF INTEREST OF CONTRACTORS.—Freight agents employed by the Secretary or the Commodity Credit Corporation under title I shall not represent any other foreign government during the period of their contract with the United States Government.

"(2) REASONABLE FEES AND COMMISSIONS.—

"(A) FEES.—Notwithstanding any other provision of law, the Secretary or the Commodity Credit Corporation may enter into an agreement with the importing country that contains the terms and conditions that will govern the provision of purchasing or shipping agent services by the Secretary or the Corporation, including the establishment of fees for such services. Any such fees shall be fair and reasonable in relation to the services performed and shall be available as reimbursement for costs incurred in providing such services.

"(B) PROHIBITION ON COMMISSIONS.—Commissions, fees, or other payments to any selling agent or to any agent of a purchaser shall be prohibited in the purchase of agricultural commodities that are financed under this Act.

"(3) LIMITATIONS.—No commission, fees, or other payments to an agent, broker, consultant, or other representative of the importer or importing country for ocean transportation brokerage services in connection with the carriage of commodities provided under this Act may—

"(A) be paid in excess of an amount determined appropriate by the Secretary; and

"(B) be shared by such person with the importer or importing country or any agent thereof.

"(4) AVOIDANCE OF CONFLICT OF INTEREST.—A person may not be an agent, broker, consultant, or other representative of the United States Government, an importer, or an importing country in connection with agricultural commodities provided under this Act during a fiscal year in which such person acts as an agent, broker, consultant, or other representative if the person is engaged in providing ocean transportation-related services for such commodities. For the purpose of this paragraph, the term 'transportation-related services' means lightening, stevedoring, bagging, or inland transportation to the destination point.

"(d) TITLE II AND III PROGRAM.—

"(1) ACQUISITION.—The Administrator shall transfer, arrange for the transportation, and take other steps necessary to make available agricultural commodities to be provided under title II and title III.

"(2) FULL AND OPEN COMPETITION.—No purchase of agricultural commodities from private stocks or purchase of ocean transportation services by the United States Government shall be financed under titles II and III unless such purchases are made on the basis of full and open competition utilizing such procedures as are determined necessary and appropriate by the Administrator.

"(3) AVOIDANCE OF CONFLICT OF INTEREST.—Freight agents employed by the Agency for International Development under titles II and III shall not represent any other foreign govern-

ment during the period of their contract with the United States Government.

"(4) Ocean transportation services.—Notwithstanding any provision of the Federal Property Act of 1949, as amended, or other similar provisions relating to the making or performance of Federal Government contracts, the Administrator may procure ocean transportation services under this Act under such full and open competitive procedures as the Administrator determines are necessary and appropriate.

"(e) Timing of Shipments.—In determining the timing of the shipment of agricultural commodities to be provided under this Act, the Secretary or the Administrator, as appropriate, shall consider—

-"(1) the time of harvest of any competing commodities in the recipient country; and

"(2) such other concerns determined to be appropriate.

"(f) Deadline for Agreements Under Titles I and III.—An agreement under titles I and III shall, to the extent practicable, be entered into not later than—

"(1) November 30 of the first fiscal year in which agricultural commodities are to be shipped under the agreement; or

"(2) 60 days after the date of enactment of the annual Rural Development, Agriculture, and Related Agencies Appropriations Act for the first fiscal year in which agricultural commodities are to be shipped under the agreement,

whichever is later.

"(g) Annual Reports.—

"(1) In general.—The President shall prepare an annual report concerning the programs and activities implemented under this Act for the preceding fiscal year.

"(2) Contents.—Each report shall include—

"(A) the countries and organizations receiving food and other assistance provided to each country and organization under this Act;

"(B) a general description of the projects or activities implemented under this Act, including local currency funded activities; and

"(C) a statement of the amount of agricultural commodities made available to each country pursuant to section 416(b) of the Agricultural Act of 1949 and the Food for Progress Act of 1985.

"(3) Submission.—The President shall submit such report not later than January 15 of each year to the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(h) World Food Day Report.—On World Food Day, October 16 of each year, the President shall submit to the appropriate committees of Congress a report, prepared with the assistance of the Secretary and the Administrator, assessing progress towards food security in each country receiving United States Government food assistance. Special emphasis should be given in such report to the nutritional status of the poorest populations in such countries.

"SEC. 408. EXPIRATION DATE.

"No agreements to finance sales or to provide other assistance under this Act shall be entered into after December 31, 1995.

"SEC. 409. REGULATIONS.

"Not later than 180 days after the date of enactment of this Act, regulations shall be issued to implement the provisions of this Act.

"SEC. 410. INDEPENDENT EVALUATION OF PROGRAMS.

"(a) TITLE I PROGRAM.—Not later than 2 years after the date of enactment of this Act, and 2 years thereafter, the Comptroller General of the United States shall select five countries that receive assistance under title I that are representative of all countries in three geographic regions and evaluate the uses of the funds under title I in such countries with respect to the impact of such uses on agricultural development, agricultural trade development, and the financial management of those funds, with reference to personnel requirements to manage these funds.

"(b) TITLE II PROGRAM.—Not later than 2 years after the date of enactment of this Act, and 2 years thereafter, the Comptroller General of the United States shall select five countries that receive assistance under title II that are representative of all countries in three geographic regions and evaluate the uses of the assistance provided under such title, including an evaluation of the impact of such assistance on enhancing food security in such countries and an evaluation of the use of local currencies for economic development, as well as the financial management of those funds, with reference to personnel requirements to manage these funds.

"(c) TITLE III PROGRAM.—Not later than 2 years after the date of enactment of this Act, and 2 years thereafter, the Comptroller General of the United States shall select five countries that receive assistance under title III that are representative of all such countries in three geographic regions and evaluate—

"(1) the uses of the commodities provided under such title in such countries; and

"(2) the uses of the special account funds established in such countries under title III;

with respect to the impact of such uses and funds on enhancing food security, including nutrition, in such countries and the financial management of those funds, with reference to personnel requirements to manage such funds.

"(d) REPORT TO CONGRESS.—The Comptroller General of the United States shall prepare and submit, to the Committee on Foreign Affairs and the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report concerning the evaluations made under this section.

"SEC. 411. DEBT FORGIVENESS.

"(a) AUTHORITY.—The President, taking into account the financial resources of a country, may waive payments of principal and interest that such country would otherwise be required to make to the Commodity Credit Corporation under dollar sales agreements under this title if—

"(1) that country is a least developed country; and

"(2) either—

"(A) an International Monetary Fund standby agreement is in effect with respect to that country;

"(B) a structural adjustment program of the International Bank for Reconstruction and Development or of the International Development Association is in effect with respect to that country;

"(C) a structural adjustment facility, enhanced structural adjustment facility, or similar supervised arrangement with the International Monetary Fund is in effect with respect to that country; or

"(D) even though such an agreement, program, facility, or arrangement is not in effect, the country is pursuing national economic policy reforms that would promote democratic, market-oriented, and long term economic development.

"(b) REQUEST FOR DEBT RELIEF BY PRESIDENT.—The President may provide debt relief under subsection (a) only if a notification is submitted to Congress. Such a notification shall—

"(1) specify the amount of official debt the President proposes to liquidate; and

"(2) identify the countries for which debt relief is proposed and the basis for their eligibility for such relief.

"(c) APPROPRIATIONS ACTION REQUIRED.—The aggregate amount of principal and interest waived under this section may not exceed the amount approved for such purpose in an Act appropriating funds to carry out this Act.

"(d) LIMITATION ON NEW CREDIT ASSISTANCE.—If the authority of this section is used to waive payments otherwise required to be made by a country pursuant to this Act, the President may not provide any new credit assistance for that country under this Act during the 2-year period beginning on the date such waiver authority is exercised, unless the President provides to the Congress, before the assistance is provided, a written justification for the provision of such new credit assistance.

"(e) APPLICABILITY.—The authority of this section applies with respect to credit sales agreements entered into before the date of enactment of this Act.

"SEC. 412. AUTHORIZATION OF APPROPRIATIONS.

"(a) REIMBURSEMENT.—There are authorized to be appropriated such sums as may be necessary to carry out—

"(1) the concessional credit sales program established under title I;

"(2) the emergency and private assistance program under title II; and

"(3) the grant program established under title III,

including such amounts as may be required to make payments to the Commodity Credit Corporation to the extent the Commodity Credit Corporation is not reimbursed under the programs under this Act for the actual costs incurred or to be incurred by such Corporation in carrying out such programs.

"(b) LIMITATIONS.—Of the amounts made available in each fiscal year to carry out titles I and III, not less than—

"(1) 40 percent shall be made available to carry out the credit sales program established under title I; and

"(2) 40 percent shall be made available to carry out the grant program established under title III.

"(c) Transfer of Funds.—Notwithstanding any other provision of law and except as provided in subsection (b), if the President determines it to be necessary for purposes of this Act, the President may direct that not in excess of 15 percent of the funds available in any fiscal year for carrying out any title of this Act be used to carry out any other title of this Act.

"(d) Budget.—In presenting the Budget of the United States, the President shall classify expenditures under this Act as expenditures for international affairs and finance rather than for agriculture and agricultural resources.

"(e) Value of Commodities.—Notwithstanding any other provision of law, in determining the reimbursement due the Commodity Credit Corporation for all expenses incurred under this Act, commodities from the inventory of the Commodity Credit Corporation that were acquired under title I of the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) shall be valued at a price not greater than the export market price for such commodities, as determined by the Secretary, as of the time such commodity is made available under this Act.

"SEC. 413. COORDINATION OF FOREIGN ASSISTANCE PROGRAMS.

"To the maximum extent practicable, assistance for a foreign country under this Act shall be coordinated and integrated with United States development assistance objectives and programs for that country and with the overall development strategy of that country. Special emphasis should be placed on, and funds devoted to, activities that will increase the nutritional impact of programs of assistance under this Act, and child survival programs and projects, in least developed countries by improving the design and implementation of such programs and projects.

"SEC. 414. ASSISTANCE IN FURTHERANCE OF NARCOTICS CONTROL OBJECTIVES OF THE UNITED STATES.

"(a) Substantial Injury.—Local currencies that are made available for use under this Act may not be used to finance the production for export of agricultural commodities (or products thereof) that would compete in the world market with similar agricultural commodities (or products thereof) produced in the United States, if such competition would cause substantial injury to the United States producers, as determined by the President.

"(b) Exception for Narcotics Control.—Notwithstanding subsection (a), the President may provide assistance under this Act, including assistance through the use of local currencies generated by the sale of commodities under such Act, for economic development activities undertaken in an eligible country that is a major illicit drug producing country (as defined in section 481(i)(2) of the Foreign Assistance Act of 1961), for the purpose of reducing the dependence of the economy of such country on the production of crops from which narcotic and psychotropic drugs are derived.

“TITLE V—FARMER-TO-FARMER PROGRAM

“SEC. 501. FARMER-TO-FARMER PROGRAM.

“(a) In General.—To further assist developing countries, middle-income countries, and emerging democracies to increase farm production and farmer incomes, the President may, notwithstanding any other provision of law—

“(1) establish and administer a program of farmer-to-farmer assistance between the United States and such countries to assist in increasing food production and distribution and improving the effectiveness of the farming and marketing operations of farmers;

“(2) utilize United States farmers, agriculturalists, land grant universities, private agribusinesses, and nonprofit farm organizations to work in conjunction with farmers and farm organizations in such countries, on a voluntary basis, to facilitate the improvement of farm and agribusiness operations and agricultural systems in such countries, including animal care and health, field crop cultivation, fruit and vegetable growing, livestock operations, food processing and packaging, farm credit, marketing, inputs, agricultural extension, and the strengthening of cooperatives and other farmer groups;

“(3) transfer the knowledge and expertise of United States agricultural producers and businesses, on a people-to-people basis, to such countries while enhancing the democratic process by supporting private and public, agriculturally related organizations that request and support technical assistance activities through cash and in-kind services;

“(4) to the extent practicable, enter into contracts or other cooperative agreements with or make grants to private voluntary organizations, cooperatives, land grant universities, private agribusiness, or nonprofit farm organizations to carry out this section (except that any such contract or other agreement may obligate the United States to make outlays only to the extent that the budget authority for such outlays is available pursuant to subsection (c) or has otherwise been provided in advance in appropriation Acts);

“(5) coordinate programs established under this section with other foreign assistance activities carried out by the United States; and

“(6) to the extent practicable, augment the funds available for programs established under this section through the use of foreign currencies that accrue from the sale of agricultural commodities under this Act, and local currencies generated from other types of foreign assistance activities.

“(b) Definitions.—The following definitions apply for purposes of this section:

“(1) Emerging democracy.—The term ‘emerging democracy’ means a country that is taking steps toward—

“(A) political pluralism, based on progress toward free and fair elections and a multiparty political system;

“(B) economic reform, based on progress toward a market-oriented economy;

"(C) respect for internationally recognized human rights; and

"(D) a willingness to build a friendly relationship with the United States.

"(2) MIDDLE INCOME COUNTRY.—The term 'middle income country' means a country that has developed economically to the point where it does not receive bilateral development assistance from the United States.

"(c) MINIMUM FUNDING.—Notwithstanding any other provision of law, not less than 0.2 percent of the amounts made available for each of the fiscal years 1991 through 1995 to carry out this Act, in addition to any funds that may be specifically appropriated to carry out this section, shall be used to carry out programs under this section, with not less than 0.1 percent to be used for programs in developing countries.

"TITLE VI—ENTERPRISE FOR THE AMERICAS INITIATIVE

"SEC. 601. ESTABLISHMENT OF THE FACILITY.

"There is established in the Department of the Treasury an entity to be known as the 'Enterprise for the Americas Facility' (hereafter referred to in this title as the 'Facility').

"SEC. 602. PURPOSE.

"The purpose of this title is to encourage and support improvement in the lives of the people of Latin America and the Caribbean through market-oriented reforms and economic growth with inter-related actions to promote debt reduction, investment reforms, and community-based conservation and sustainable use of the environment. The Facility will support such objectives through the administration of debt reduction operations relating to those countries that meet investment reform and other policy conditions provided for in this title.

"SEC. 603. ELIGIBILITY FOR BENEFITS UNDER THE FACILITY.

"(a) REQUIREMENTS.—To be eligible for benefits from the Facility under this title, a country shall—

"(1) be a Latin American or Caribbean country;

"(2) have in effect or have received approval for, or, as appropriate in exceptional circumstances, be making significant progress towards the establishment of—

"(A) an International Monetary Fund (hereafter referred to in this title as the 'IMF') standby arrangement, extended IMF arrangement, or an arrangement under the structural adjustment facility or enhanced structural adjustment facility, or in exceptional circumstances, an IMF-monitored program or its equivalent; and

"(B) as appropriate, structural or sectoral adjustment loans from the International Bank for Reconstruction and Development (hereafter referred to in this title as the 'World Bank') or the International Development Association (hereafter referred to in this title as the 'IDA');

"(3) have placed into effect major investment reforms in conjunction with an InterAmerican Development Bank (hereafter referred to as the 'IDB') loan or otherwise be implementing, or making significant progress towards an open investment regime; and

"(4) if appropriate, have agreed with its commercial bank lenders on a satisfactory financing program, including, as appropriate, debt or debt service reduction.

"(b) ELIGIBILITY DETERMINATION.—The President shall determine whether a country is an eligible country for purposes of subsection (a).

"SEC. 604. REDUCTION OF CERTAIN DEBT.

"(a) AUTHORITY TO REDUCE DEBT.—

"(1) IN GENERAL.—Notwithstanding any other provision of law, the President may reduce the amount owed to the United States or any agency of the United States, and outstanding as of January 1, 1990, as a result of any credits extended under title I to a country eligible for benefits from the Facility.

"(2) AVAILABILITY OF APPROPRIATIONS.—The authorities under this section may be exercised only to the extent provided for in advance in appropriation Acts.

"(b) LIMITATION.—A debt reduction authorized under subsection (a) shall be accomplished, at the direction of the Facility, through the exchange of a new obligation under this title for obligations of the type referred to in subsection (a) outstanding as of January 1, 1990.

"(c) EXCHANGE OF OBLIGATIONS.—The Facility shall notify the Commodity Credit Corporation of an agreement entered into under subsection (b) with an eligible country to exchange a new obligation for outstanding obligations. At the direction of the Facility, the old obligations that are the subject of the agreement may be canceled and a new debt obligation may be established for the country relating to the agreement. The Commodity Credit Corporation shall make an adjustment in its accounts to reflect a debt reduction under this section.

"SEC. 605. REPAYMENT OF PRINCIPAL.

"(a) CURRENCY OF PAYMENT.—The principal amount owed under each new obligation issued under section 604 shall be repaid in United States dollars.

"(b) DEPOSIT OF PAYMENTS.—Principal repayments on new obligations issued under section 604 shall be deposited in Commodity Credit Corporation accounts.

"SEC. 606. INTEREST OF NEW OBLIGATIONS.

"(a) RATE OF INTEREST.—New obligations issued to an eligible country under section 604 shall bear interest at a concessional rate.

"(b) CURRENCY OF PAYMENT, DEPOSITS.—

"(1) UNITED STATES DOLLARS.—An eligible country to which a new obligation has been issued under section 604 that has not entered into an agreement under section 607, shall be required to pay interest on such obligation in United States dollars which shall be deposited in Commodity Credit Corporation accounts.

"(2) Local currency.—If an eligible country to which a new obligation has been issued under section 604 has entered into an agreement under section 607, interest under such obligation may be paid in the local currency of the eligible country and deposited into an Environmental Fund as provided for in section 608. Such interest shall be the property of the eligible country until such time as it is disbursed under section 608. Such local currencies shall be used for the purposes specified in the agreement entered into under section 607.

"(c) Interest Previously Paid.—If an eligible country to which a new obligation has been issued under section 604 enters into an agreement under section 607 subsequent to the date on which interest first becomes due on such new obligation, any interest paid on such new obligation prior to such agreement being entered into shall not be redeposited into the Fund established for the eligible country under section 608(a) but shall be deposited into Commodity Credit Corporation.

"SEC. 607. ENVIRONMENTAL FRAMEWORK AGREEMENTS.

"(a) Authority.—The President is authorized to enter into an environmental framework agreement with each country eligible for benefits from the Facility concerning the operation and use of an Enterprise for the Americas Environmental Fund (hereafter referred to in this title as the 'Environmental' Fund) established under section 608 for that country. The President shall consult with the Board established under section 610 when entering into such agreements.

"(b) Requirements.—An environmental framework agreement entered into under this section shall—

"(1) require the eligible country to establish an Environmental Fund;

"(2) require the eligible country to make interest payments under section 608(a) into the Environmental Fund;

"(3) require the eligible country to make prompt disbursements from the Environmental Fund to the body described in subsection (c);

"(4) where appropriate, seek to maintain the value of the local currency resources deposited into the appropriate Environmental Fund in terms of United States dollars;

"(5) specify, in accordance with section 612, the purposes for which the Environmental Fund may be used; and

"(6) contain reasonable provisions for the enforcement of the terms of the agreement.

"(c) Administering Body.—Funds disbursed from the Environmental Fund in an eligible country shall be administered by a body constituted under the laws of the country. Such body shall—

"(1) be composed of—

"(A) one or more representatives appointed by the President;

"(B) one or more representatives appointed by the eligible country; and

"(C) representatives from a broad range of environmental and local community development nongovernmental organizations of the host country;

the majority of which shall be local representatives from nongovernmental organizations, and scientific or academic bodies;

"(2) receive proposals for grant assistance from local organizations, and make grants to such organizations in accordance with the priorities agreed upon in the framework agreement and consistent with the overall purposes of section 612;

"(3) be responsible for the management of the program and oversight of grant activities funded from resources of the Environmental Fund;

"(4) be subject to fiscal audits by an independent auditor on an annual basis;

"(5) present an annual program for review by the Board established under section 610 each year;

"(6) present an annual report on the activities undertaken during the previous year to the Chairman of the Board established under section 610, and the government of the eligible country each year; and

"(7) have any grant over $100,000 be subject to veto by the United States and the government of the eligible country.

"SEC. 608. ENTERPRISE FOR THE AMERICAS ENVIRONMENTAL FUNDS.

"(a) ESTABLISHMENT.—An eligible country shall, under the terms of an environmental framework agreement entered into under section 607, establish an Environmental Fund to receive payments in local currency pursuant to section 607(b)(1).

"(b) INVESTMENT.—Amounts deposited into an Environmental Fund shall be invested until disbursed. Notwithstanding any other provision of law, any return on such investment may be retained by the Environmental Fund and need not be deposited to the account of the Commodity Credit Corporation and may be retained without further appropriation by Congress.

"SEC. 609. DISBURSEMENT OF ENVIRONMENTAL FUNDS.

"Funds in an Environmental Fund shall be disbursed only pursuant to a framework agreement entered into pursuant to section 607.

"SEC. 610. ENVIRONMENT FOR THE AMERICAS BOARD.

"(a) ESTABLISHMENT.—There is established a board to be known as the 'Environment for the Americas Board' (hereafter referred to in this title as the 'Board').

"(b) MEMBERSHIP AND CHAIRPERSON.—

"(1) MEMBERSHIP.—The Board shall be composed of—

"(A) five representatives from the United States Government; and

"(B) four representatives from private nongovernmental environmental, community development, scientific, and academic organizations with experience and expertise in Latin America and the Caribbean;

to be appointed by the President.

"(2) CHAIRPERSON.—The Board shall be headed by a chairperson who shall be appointed by the President from among the representatives appointed under paragraph (1)(A).

"(c) RESPONSIBILITIES.—The Board shall—

"(1) advise the President on the negotiations for the environmental framework agreements described in subsections (a) and (b) of section 607;

"(2) ensure, in consultation with the government of the appropriate eligible country, with nongovernmental organizations of such eligible country, and if appropriate, of the region, and with environmental, scientific, and academic leaders of such eligible country and, as appropriate, of the region, that a suitable body referred to in section 607(c) is identified; and

"(3) review the programs, operations, and fiscal audits of the bodies referred to in section 607(c).

"SEC. 611. OVERSIGHT.

"The President may designate appropriate United States agencies to review the implementation of programs under this title and the fiscal audits relating to such programs. Such oversight shall not constitute active management of an Environmental Fund.

"SEC. 612. ELIGIBLE ACTIVITIES AND GRANTEES.

"(a) ELIGIBLE ENTITIES.—Activities eligible to receive assistance through the framework agreements entered into under section 607, shall include—

"(1) activities of the type described in the Global Environmental Protection Assistance Act of 1989 (22 U.S.C. 462), and—

"(2) agriculture-related activities, including those that provide for the biological prevention and control of animal and plant pests and diseases, to benefit the environment; and

"(3) local community initiatives that promote conservation and sustainable use of the environment.

"(b) REGULATION.—All activities of the type referred to in subsection (a) shall, where appropriate, include initiatives that link conservation of natural resources with local community development.

"(c) SETTING OF PRIORITIES.—Appropriate activities and priorities relating to the use of an Environmental Fund shall be set by local nongovernmental organizations within the appropriate eligible country.

"(d) GRANTS.—Grants may be made by the body referred to in section 607(c) from the Environmental Fund for environmental purposes to—

"(1) host country nongovernmental environmental, conservation, development, educational, and indigenous peoples organizations;

"(2) other appropriate local or regional entities; or

"(3) in exceptional circumstances, the government of the eligible country.

"(e) PRIORITY.—In providing assistance from an Environmental Fund, the body established under section 607(c) within the eligible country shall give priority to projects that are run by nongovernmental organizations and other private entities, and that involve local communities in their planning and execution.

"SEC. 613. ENCOURAGING MULTILATERAL DEBT DONATIONS.

"(a) ENCOURAGING DONATIONS FROM OFFICIAL CREDITORS.—The President should actively encourage other official creditors of an eligible country to provide debt reduction to such eligible country.

"(b) Encouraging Donations from Other Sources.—The President shall make every effort to insure that programs established through Environmental Funds are able to receive donations from private and public entities, and private creditors of the eligible country.

"SEC. 614. ANNUAL REPORT TO CONGRESS.

"Not later than December 31 of each fiscal year, the President shall prepare and submit to the Speaker of the House of Representatives and the President Pro Tempore of the Senate an annual report concerning the operation of the Facility for the prior fiscal year.".

SEC. 1513. EFFECTIVE DATE.

The amendment made by section 1512 shall become effective on January 1, 1991.

SEC. 1514. AMENDMENTS TO SECTION 416 OF THE AGRICULTURAL ACT OF 1949.

Section 416(b) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)) is amended—

(1) in paragraph (1), by striking "title II" and inserting "titles II and III";

(2) in paragraph (3)(B)(i), by striking "401(b)" and inserting "403(a)";

(3) in paragraph 5(A), by striking "203" and inserting "406";

(4) in paragraph (6), by striking "203" and inserting "406"; and

(5) in paragraph (7)—

(A) by striking "title II" in subparagraph (D)(iii) and inserting "titles II and III"; and

(B) by adding at the end thereof the following new subparagraph:

"(F) The provisions of sections 403(i) and 407(c) of the Agricultural Trade Development and Assistance Act of 1954 shall apply to donations, sales and barters of eligible commodities under this subsection.".

SEC. 1515. CONFORMING AMENDMENTS AND TECHNICAL CHANGES.

(a) Agriculture and Food Act of 1981.—Section 1208(d)(2) of the Agriculture and Food Act of 1981 (7 U.S.C. 1736n) is amended by striking "408(a)" and inserting "407(g)".

(b) Agricultural and Trade Missions Act.—Section7(4)(A) of the Agricultural and Trade Missions Act (7 U.S.C. 1736bb-6) is amended by striking "title I and II" and inserting "titles I, II, and III".

(c) Food Security Act of 1985.—Section 302 of the Food Security Wheat Reserve Act (7 U.S.C. 1736f-1) is amended—

(1) in subsection (c), by striking "401(a)" and inserting "401"; and

(2) in subsection (d), by striking "401(a)" and inserting "401".

SEC. 1516. FOOD FOR PROGRESS.

The Food for Progress Act of 1985 (7 U.S.C. 1736o) is amended—

(1) in subsection (b)—

(A) by striking "countries that" and inserting "developing countries, and countries that are emerging democracies, that", and

(B) by striking "developing countries" and inserting "the governments of such countries, or with private voluntary organizations, nonprofit agricultural organizations, or cooperatives,";

(2) in subsection (d) by striking "with countries";

(3) in subsection (e)(3)—

(A) by striking "to a developing country", and

(B) by striking "by a developing country";

(4) in subsection (e)(4)—

(A) by striking "to a developing country" both places it appears; and

(B) by striking "section 401(b)" and inserting "sections 402, 403(a), 403(c), and 403(i)";

(5) in subsection (f)(1) by striking "to developing countries";

(6) in subsection (g) by striking "1990" and inserting "1995";

(7) in subsection (j) by striking "entered into with a country", and by inserting "with respect to a country" after "effect";

(8) in subsection (k) by striking "recipient countries" and inserting "the recipient";

(9) in subsection (l) by striking "1990" and inserting "December 31, 1995"; and

(10) by adding at the end the following new subsections:

"(m)(1) To enhance the development of private sector agriculture in countries receiving assistance under this Act the President may, in each of the fiscal years 1991 through 1995, use in addition to any amounts or commodities otherwise made available under this Act for such activities, not to exceed $10,000,000 of Commodity Credit Corporation funds (or commodities of an equal value owned by the Corporation), to provide assistance in the administration, sale, and monitoring of food assistance programs to strengthen private sector agriculture in recipient countries.

"(2) To carry out this subsection, the President may provide agricultural commodities under agreements entered into under this Act in a manner that uses the commodity transaction as a means of developing in the recipient countries a competitive private sector that can provide for the importation, transportation, storage, marketing and distribution of such commodities.

"(3) The President may use the assistance provided under this subsection and local currencies derived from the sale of commodities under paragraph (2) to design, monitor, and administer activities undertaken with such assistance, for the purpose of strengthening or creating the capacity of recipient country private enterprises to undertake commercial transactions, with the overall goal of increasing potential markets for United States agricultural commodities.".

SEC. 1517. DEBT-FOR-HEALTH-AND-PROTECTION SWAP.

(a) DEFINITION.—For purposes of this section, the term "debt-for-health-and-protection swap" means the voluntary cancellation of the foreign debt of the government of a foreign country in exchange for—

(1) the making available by such country, to a grantee under subsection (b), local currencies (including through the issuance of bonds) to be used only for eligible projects involving the re-

search, study, prevention, or control of animal and plant pests and diseases in that country; or

(2) the financial and policy commitment of such country to research, study, prevent, or control animal and plant pests and diseases in that country.

(b) ASSISTANCE FOR COMMERCIAL DEBT SWAP.—

(1) GRANTS.—The Secretary is authorized to furnish assistance in the form of grants, on such terms and conditions as the Secretary determines to be necessary and appropriate, to United States and foreign nongovernmental organizations, including colleges and universities, for the purchase of discounted external commercial debt of a foreign government (on the secondary market) to be canceled under the terms of an agreement that is entered into by the Secretary with that government as part of a debt-for-health-and-protection swap.

(2) INTEREST ON GRANTS.—The recipient of a grant under this section (or any subgrantee of such recipient) may retain the interest earned on the proceeds of any resulting debt-for-health-and-protection swap if such recipient (or subgrantee) disburses such funds for approved program purposes, and such interest need not be deposited in the Treasury of the United States and is not subject to further appropriations by Congress.

(3) REINVESTMENT OF INTEREST.—Interest accrued in accordance with paragraph (2) shall be reinvested by the recipient of the grant under this section in an approved project in the host country or used for the establishment of an endowment for the purpose for which the grant was provided.

(c) ELIGIBLE PROJECTS.—

(1) MUTUAL BENEFIT.—The Secretary shall ensure that a debt-for-health-and-protection swap under this section is designed to be of mutual benefit to both the agricultural sector of the United States and the agricultural sector of the recipient country.

(2) IDENTIFICATION OF IMMEDIATE AREAS OF NEED.—In cooperation with the Agency for International Development, international organizations, domestic or foreign nongovernmental organizations, colleges, and universities, the Secretary shall attempt to identify those areas which, because of their imminent threat to agriculture, are in particular need of immediate attention in terms of supporting and promoting the prevention or control of plant and animal pests and diseases in the Western Hemisphere.

(d) TERMS AND CONDITIONS OF THE EXCHANGE.—

(1) REGULATIONS.—Not later than 180 days after the date of enactment of this Act, the Secretary shall issue regulations to implement this section. Such regulations shall include provisions—

(A) that describe the general terms and conditions necessary for any proposed exchange to gain approval under paragraph (2); and

(B) to protect against the use of any assistance provided under subsection (b) that is contrary to the provisions of this section.

(2) Other assistance.—Grants made under this section are intended to supplement, and not to be a substitute for, any assistance that is otherwise available to a foreign country from the Department of Agriculture.

(3) Prohibition.—The Department of Agriculture is prohibited from accepting any title or interest in any project or program under this section, or any interest accrued on the amount of the grant, as a condition of the debt-for-health-and-protection swap.

(e) Authorization of Appropriations.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

Subtitle B—Shipping Provisions

SEC. 1521. EXEMPTION OF AMERICAN GREAT LAKES VESSELS FROM RESTRICTION ON CARRIAGE OF PREFERENCE CARGOES.

(a) Exemption From Restriction.—The restriction described in subsection (b) shall not apply to an American Great Lakes vessel while it is so designated.

(b) Restriction Described.—The restriction referred to in subsection (a) is the restriction in section 901(b)(1) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1241(b)(1)), that a vessel that is—

(1) built outside the United States;

(2) rebuilt outside the United States; or

(3) documented under any foreign registry;

shall not be a privately owned United States-flag commercial vessel under that section until the vessel is documented under the laws of the United States for a period of 3 years.

(c) Subsequent Application of Restriction.—Upon the revocation or termination of a designation of a vessel as an American Great Lakes vessel, the restriction described in subsection (b) shall apply as if the vessel had never been a vessel documented under the laws of the United States.

SEC. 1522. DESIGNATION OF AMERICAN GREAT LAKES VESSELS.

(a) In General.—The Secretary shall designate a vessel as an American Great Lakes vessel for purposes of this subtitle if—

(1) the vessel is documented under the laws of the United States;

(2) the Secretary receives an application for such designation submitted in accordance with regulations issued by the Secretary under subsection (d);

(3) the owner of the vessel enters into an agreement in accordance with subsection (b);

(4)(A) the vessel is not more than 6 years old, and not less than 1 year old, on the effective date of the designation; or

(B) the vessel is not more than 11 years old, and not less than 1 year old on the effective date of the designation, and the Secretary determines that suitable vessels are not available for providing the type of service for which the vessel will be used after designation; and

(5) the vessel has not been previously designated as an American Great Lakes vessel.

(b) Construction and Purchase Agreement.—As a condition of designating a vessel as an American Great Lakes vessel under this section, the Secretary shall require the person who will be the owner of the vessel at the time of that designation to enter into an agreement with the Secretary which provides that if the Secretary determines that the vessel is necessary to the defense of the United States, the United States Government shall have, during the 120-day period following the date of any revocation of such designation under section 1524, an exclusive right to purchase the vessel for a price equal to—

(1) the approximate world market value of the vessel; or

(2) the cost of the vessel to the owner less an amount representing reasonable depreciation of the vessel;

whichever is greater.

(c) Certain Foreign Registry and Sale Not Prohibited.—Notwithstanding any other provision of law, if the United States does not purchase a vessel in accordance with its right of purchase under a construction and purchase agreement under subsection (b), the owner of the vessel shall not be prohibited from—

(1) transferring the vessel to a foreign registry; or

(2) selling the vessel to a person who is not a citizen of the United States.

(d) Issuance of Regulations.—Not later than 60 days after the date of the enactment of this Act, the Secretary shall issue regulations establishing requirements for submission of applications for designation of vessels as American Great Lakes vessels under this section.

SEC. 1523. RESTRICTIONS ON OPERATIONS OF AMERICAN GREAT LAKES VESSELS.

(a) In General.—Subject to subsection (b), an American Great Lakes vessel shall not be used—

(1) to engage in trade—

(A) from a port in the United States that is not located on the Great Lakes; or

(B) between ports in the United States;

(2) to carry bulk cargo (as that term is defined in section 3 of the Shipping Act of 1984 (46 U.S.C. App. 1702(4)) which is subject to section 901(b) or 901b of the Merchant Marine Act, 1936 (46 U.S.C. App. 1241(b) or 1241f), or section 2631 of title 10, United States Code; or

(3) to provide any service other than ocean freight service—

(A) as a contract carrier; or

(B) as a common carrier on a fixed advertised schedule offering frequent sailings at regular intervals in the foreign commerce of the United States.

(b) Off-Season Carriage Exception.—

(1) In general.—Subject to paragraph (2), an American Great Lakes vessel may be used to engage in trade otherwise prohibited by subsection (a)(1)(A) for not more than 90 days during any 12-month period.

(2) Limitation.—An American Great Lakes vessel shall not be used during the Great Lakes shipping season to engage in trade referred to in paragraph (1).

SEC. 1524. REVOCATION AND TERMINATION OF DESIGNATION.

(a) REVOCATION.—*The Secretary, after notice and an opportunity for a hearing, may revoke the designation of a vessel under section 1522 as an American Great Lakes vessel if the Secretary determines that—*

(1) the vessel does not meet a requirement for such designation;

(2) the vessel has been operated in violation of this subtitle; or

(3) the owner or operator of the vessel has violated a construction and purchase agreement under section 1522(b).

(b) CIVIL PENALTY.—*The Secretary, after notice and an opportunity for a hearing, may assess a civil penalty of not more than $1,000,000 against the owner of an American Great Lakes vessel, for any act for which the designation of that vessel as an American Great Lakes vessel may be revoked under subsection (a).*

(c) TERMINATION OF DESIGNATION.—*The Secretary may terminate the designation of a vessel as an American Great Lakes vessel under this subtitle upon petition and a showing of good cause for that termination by the owner of the vessel. The Secretary may impose conditions or restrictions in a termination order to prevent significant adverse effects on other United States-flag vessel operators.*

SEC. 1525. ALLOCATION BASED ON LOWEST LANDED COST.

Section 901b(c) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1241f(c)) is amended—

(1) in paragraph (2)(A) by striking "(A)";

(2) in paragraph (2) by striking subparagraph (B); and

(3) by adding at the end the following:

"(3)(A) Subject to subparagraph (B), in administering sections 901(b) and 901b (46 U.S.C. App. 1241(b) and 1241f), and consistent with those sections, the Commodity Credit Corporation shall take such steps as may be necessary and practicable without detriment to any port range to allocate, on the principle of lowest landed cost without regard to the country of documentation of the vessel, 50 percent of the bagged, processed, or fortified commodities furnished pursuant to title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1751 et seq.).

"(B) In carrying out this paragraph, the Commodity Credit Corporation shall not allocate to the Great Lakes port range in any year a percentage share of commodities referred to in subparagraph (A) that is greater than the share experienced by that port range in 1984, as determined by the Secretary of Agriculture.

"(4) Amounts of cargo allocated to ports in the Great Lakes port range pursuant to paragraph (3) shall not be exported from a different port range except as necessary to meet United States-flag transportation requirements of sections 901(b) and 901b, in which case within the same year the Commodity Credit Corporation shall take such steps as are necessary and practicable without detriment to any port range to ensure the export from the Great Lakes port range of an amount of tonnage of commodities referred to in paragraph (3)(A) that is not required to be transported on United States-flag vessels, that is equal to the amount of tonnage diverted for export from other port ranges.

"(5) Any determination of nonavailability of United States-flag vessels resulting from the application of this subsection shall not reduce the gross tonnage of commodities required by sections 901(b) and 901b to be transported on United States-flag vessels.".

SEC. 1526. STUDY AND REPORT.

(a) STUDY.—The Secretary, in consultation with the Secretary of Agriculture, shall conduct a study on the implementation of this subtitle. The study shall include analysis of—

(1) the effects of that implementation on diversions of cargo to and from the Great Lakes port range and any resulting effects on the cost of transporting commodities furnished pursuant to title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1751 et seq.); and

(2) whether the authority to designate vessels as American Great Lakes vessels has increased United States-flag vessel service to Great Lakes ports

(b) REPORT.—Not later than December 31, 1994, the Secretary shall submit a report to the Congress on the findings of the study under subsection (a).

SEC. 1527. DEFINITIONS.

As used in this subtitle—

(1) AMERICAN GREAT LAKES VESSEL.—The term "American Great Lakes vessel" means a vessel which is so designated by the Secretary in accordance with section 1522.

(2) GREAT LAKES.—The term "Great Lakes" means Lake Superior; Lake Michigan; Lake Huron; Lake Erie; Lake Ontario; the Saint Lawrence River west of Saint Regis, New York; and their connecting and tributary waters.

(3) GREAT LAKES SHIPPING SEASON.—The term "Great Lakes shipping season" means the period of each year during which the Saint Lawrence Seaway is open for navigation by vessels, as declared by the Saint Lawrence Seaway Development Corporation created by the Act of May 13, 1954 (33 U.S.C. 981 et seq.).

(4) SECRETARY.—The term "Secretary" means the Secretary of Transportation.

Subtitle C—Export Promotion

SEC. 1531. AMENDMENT TO THE AGRICULTURAL TRADE ACT OF 1978.

The Agricultural Trade Act of 1978 (7 U.S.C. 1761 et seq.) is amended to read as follows:

"SECTION 1. SHORT TITLE.

"This Act may be cited as the 'Agricultural Trade Act of 1978'.

"TITLE I—GENERAL PROVISIONS

"SEC. 101. PURPOSE.

"It is the purpose of this Act to increase the profitability of farming and to increase opportunities for United States farms and agricultural enterprises by—

"(1) increasing the effectiveness of the Department of Agriculture in agricultural export policy formulation and implementation;

"(2) improving the competitiveness of United States agricultural commodities and products in the world market; and

"(3) providing for the coordination and efficient implementation of all agricultural export programs.

"SEC. 102. DEFINITIONS.

"As used in this Act—

"(1) AGRICULTURAL COMMODITY.—The term 'agricultural commodity' means any agricultural commodity, food, feed, or fiber, and any product thereof.

"(2) DEVELOPING COUNTRY.—The term 'developing country' means a country that—

"(A) has a shortage of foreign exchange earnings and has difficulty accessing sufficient commercial credit to meet all of its food needs, as determined by the Secretary; and

"(B) has the potential to become a commercial market for agricultural commodities.

"(3) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

"(4) SERVICE.—The term 'Service' means the Foreign Agricultural Service of the Department of Agriculture.

"(5) UNFAIR TRADE PRACTICE.—

"(A) IN GENERAL.—Subject to subparagraph (B), the term 'unfair trade practice' means any act, policy, or practice of a foreign country that—

"(i) violates, or is inconsistent with, the provisions of, or otherwise denies benefits to the United States under, any trade agreement to which the United States is a party; or

"(ii) is unjustifiable, unreasonable, or discriminatory and burdens or restricts United States commerce.

"(B) CONSISTENCY WITH 1974 TRADE ACT.—Nothing in this Act may be construed to authorize the Secretary to make any determination regarding an unfair trade practice that is inconsistent with section 301 of the Trade Act of 1974 (19 U.S.C. 2411).

"(6) UNITED STATES.—The term 'United States' includes each of the States, the District of Columbia, Puerto Rico, and the territories and possessions of the United States.

"(7) UNITED STATES AGRICULTURAL COMMODITY.—The term 'United States agricultural commodity' means—

"(A) with respect to any agricultural commodity other than a product of an agricultural commodity, an agricultural commodity entirely produced in the United States; and

"(B) with respect to a product of an agricultural commodity—

"(i) a product all of the agricultural components of which are entirely produced in the United States; or

"(ii) any other product the Secretary may designate that contains any agricultural component that is not entirely produced in the United States if—

"(I) such component is an added, de minimis component,

"(II) such component is not commercially produced in the United States, and

"(III) there is no acceptable substitute for such component that is commercially produced in the United States.

For purposes of this paragraph, fish entirely produced in the United States include fish harvested by a documented fishing vessel as defined in title 46, United States Code, in waters that are not waters (including the territorial sea) of a foreign country.

"SEC. 103. DEVELOPMENT OF AGRICULTURAL TRADE STRATEGY.

"(a) In General.—

"(1) Development of multi-year strategy.—The Secretary shall develop a long-term agricultural trade strategy for the United States to guide the Secretary in the implementation of Federal programs designed to promote the export of United States agricultural commodities.

"(2) Frequency.—A long-term agricultural trade strategy shall be developed under paragraph (1) for each 3-year fiscal period, beginning on October 1, 1991.

"(3) Consultation.—In preparing the strategy under paragraph (1), the Secretary shall consult with—

"(A) the United States Trade Representative to ensure that such strategy is coordinated with the annual national trade policy agenda under section 163 of the Trade Act of 1974 (19 U.S.C. 2122);

"(B) the Agricultural Policy Advisory Committee and Agricultural Technical Advisory Committee established pursuant to section 135 of the Trade Act of 1974 (19 U.S.C. 2155); and

"(C) other interested agencies and persons.

"(b) Goals.—The long-term agricultural trade strategy established under subsection (a) shall be designed to ensure—

"(1) the growth of exports of United States agricultural commodities;

"(2) the efficient, coordinated use of Federal programs designed to promote the export of United States agricultural commodities;

"(3) the provision of food assistance and the improvement in the commercial potential of markets for United States agricultural commodities in developing countries; and

"(4) the maintenance of traditional markets for United States agricultural commodities.

"(c) Contents.—In developing the long-term agricultural trade strategy under subsection (a), the Secretary shall—

"(1) establish, for the 3-year period for which the strategy is developed, trade goals for the desired levels of exports of United

States agricultural commodities, including goals for high value, processed agricultural commodities;

"(2) develop multiyear plans for the implementation and coordination of United States export assistance programs and foreign food assistance programs to meet such agricultural trade goals;

"(3) recommend long-term strategies for growth in agricultural trade and exports, taking into account—

"(A) United States competitiveness in the export of agricultural commodities;

"(B) United States participation in bilateral and multilateral trade negotiations;

"(C) the effects of exchange rate fluctuations and unfair trading practices by foreign governments that limit access to such foreign markets;

"(D) distribution, financing, and other requirements necessary to trade in nonmarket economies;

"(E) the differences in the markets of developed and developing countries (including the amount of outstanding national debt of particular countries); and

"(F) transportation and shipping factors;

"(4) design strategies to make the United States a primary and dependable supplier of agricultural commodities in the world market;

"(5) estimate the level of expenditures and the impact of Federal export programs on exports of United States agricultural commodities in the priority markets identified under subsection (d); and

"(6) consider such other factors as the Secretary determines appropriate.

"(d) ESTABLISHMENT OF PRIORITY MARKETS.—

"(1) DESIGNATION OF GROWTH MARKETS.—The Secretary shall develop a list, for inclusion in the long-term agricultural trade strategy developed under subsection (a), of not less than 15 countries (or groups of countries) that are most likely to emerge as growth markets for United States agricultural commodities during the 3- and 6-fiscal year periods beginning on October 1, 1991.

"(2) PRIORITY FOR GROWTH MARKETS.—The Secretary shall designate countries identified on the list developed under paragraph (1) as priority markets for Federal programs designed to promote the export of United States agricultural commodities (other than those programs designed to provide food assistance under the Agricultural Trade Development and Assistance Act of 1954 (as amended) and the program under section 301.

"(3) ESTABLISHMENT OF MARKET PLANS.—The Secretary shall develop individual market plans for each priority market designated under paragraph (2). Each such market plan shall set forth—

"(A) the trade goals for the desired levels of agricultural exports from the United States to each priority market; and

"(B) specific plans to assist in the export of United States agricultural commodities to, and develop markets for such

commodities in, each priority market through Federal programs designed to promote the export of such commodities.

"(e) REVIEW OF STRATEGY.—Not less than once every 3 years, the Secretary shall review the agricultural trade performance of the United States based on the applicable long term agricultural trade strategy.

"(f) CONFIDENTIALITY.—The Secretary may determine that part of the agricultural trade strategy prepared under this section shall not be released to the general public if—

"(1) the Secretary determines that the release of such information would disadvantage the United States in international trade negotiations or with respect to its competitors in specific foreign markets; or

"(2) the Secretary determines that any such information is determined to be confidential business information.

"(g) INFORMATION.—Nothing in this section shall be construed to authorize the withholding of information from Congress.

"(h) TERMINATION.—The provisions of this section shall be effective for the period beginning January 1, 1991, and ending December 31, 1995.

"SEC. 104. PRESERVATION OF TRADITIONAL MARKETS.

"The Secretary shall, in implementing programs of the Department of Agriculture intended to encourage or assist exports of agricultural commodities, seek to preserve traditional markets for United States agricultural commodities.

"SEC. 105. INDEPENDENCE OF AUTHORITIES.

"Each authority granted under this Act shall be in addition to, and not in lieu of, any authority granted to the Secretary or the Commodity Credit Corporation under any other provision of law.

"TITLE II—AGRICULTURAL EXPORT PROGRAMS

"SEC. 201. DIRECT CREDIT SALES PROGRAM.

"(a) SHORT-TERM PROGRAM.—To promote the sale of agricultural commodities, the Commodity Credit Corporation may finance the commercial export sale of such commodities from privately owned stocks on credit terms for not to exceed a 3-year period.

"(b) INTERMEDIATE-TERM PROGRAM.—Subject to subsection (c), to promote the sale of agricultural commodities the Commodity Credit Corporation may finance the commercial export sales of agricultural commodities from privately owned stocks on credit terms for a period of not less than 3 years nor in excess of 10 years in a manner that will directly benefit United States agricultural producers.

"(c) DETERMINATIONS.—The Commodity Credit Corporation shall not finance an export sale under subsection (b) unless the Secretary determines that such sale will—

"(1) develop, expand, or maintain the importing country as a foreign market, on a long-term basis, for the commercial sale and export of United States agricultural commodities, without displacing normal commercial sales;

"(2) improve the capability of the importing country to purchase and use, on a long-term basis, United States agricultural commodities; or

"(3) otherwise promote the export of United States agricultural commodities.

"(d) USE OF PROGRAM.—

"(1) GENERAL USES.—The Commodity Credit Corporation may use export sales financing authorized under this section—

"(A) to increase exports of agricultural commodities;

"(B) to compete against foreign agricultural exports;

"(C) to assist countries, particularly developing countries, in meeting their food and fiber needs; and

"(D) for such other purposes as the Secretary determines appropriate consistent with the provisions of subsection (c).

"(2) GENERAL RESTRICTIONS.—Export sales financing authorized under this section shall not be used for foreign aid, foreign policy, or debt rescheduling purposes. The provisions of the cargo preference laws shall not apply to export sales financed under this section.

"(e) TERMS OF CREDIT ASSISTANCE.—Any contract for the financing of exports by the Commodity Credit Corporation under this section shall include—

"(1) a requirement that repayment shall be made in dollars with interest accruing thereon as determined appropriate by the Secretary; and

"(2) a requirement, if the Secretary determines such requirement appropriate to protect the interests of the United States, that an initial payment be made by the purchaser at the time of sale or shipment of the agricultural commodity that is subject to the contract.

"SEC. 202. EXPORT CREDIT GUARANTEE PROGRAM.

"(a) SHORT-TERM CREDIT GUARANTEES.—The Commodity Credit Corporation may guarantee the repayment of credit made available to finance commercial export sales of agricultural commodities from privately owned stocks on credit terms that do not exceed a 3-year period.

"(b) INTERMEDIATE-TERM CREDIT GUARANTEES.—Subject to the provisions of subsection (c), the Commodity Credit Corporation may guarantee the repayment of credit made available by financial institutions in the United States to finance commercial export sales of agricultural commodities from privately owned stocks on credit terms that are for not less than a 3-year period nor for more than a 10-year period in a manner that will directly benefit United States agricultural producers.

"(c) REQUIRED DETERMINATIONS.—The Commodity Credit Corporation shall not guarantee under subsection (b) the repayment of credit made available to finance an export sale unless the Secretary determines that such sale will—

"(1) develop, expand, or maintain the importing country as a foreign market, on a long-term basis, for the commercial sale and export of United States agricultural commodities, without displacing normal commercial sales;

"(2) improve the capability of the importing country to purchase and use, on a long-term basis, United States agricultural commodities; or

"(3) otherwise promote the export of United States agricultural commodities.

"(d) PURPOSE OF PROGRAM.—The Commodity Credit Corporation may use export credit guarantees authorized under this section—

"(1) to increase exports of agricultural commodities;

"(2) to compete against foreign agricultural exports;

"(3) to assist countries, particularly developing countries, in meeting their food and fiber needs; and

"(4) for such other purposes as the Secretary determines appropriate, consistent with the provisions of subsection (c).

"(e) RESTRICTIONS ON USE OF CREDIT GUARANTEES.—Export credit guarantees authorized by this section shall not be used for foreign aid, foreign policy, or debt rescheduling purposes. The provisions of the cargo preference laws shall not apply to export sales with respect to which credit is guaranteed under this section.

"(f) RESTRICTIONS.—The Commodity Credit Corporation shall not make credit guarantees available in connection with sales of agricultural commodities to any country that the Secretary determines cannot adequately service the debt associated with such sale.

"(g) TERMS.—Export credit guarantees issued pursuant to this section shall contain such terms and conditions as the Commodity Credit Corporation determines to be necessary.

"(h) FOREIGN AGRICULTURAL COMPONENTS.—The Commodity Credit Corporation shall finance or guarantee under this section only United States agricultural commodities. The Commodity Credit Corporation shall not finance or guarantee under this section the value of any foreign agricultural component.

"(i) INELIGIBILITY OF FINANCIAL INSTITUTIONS.—A financial institution shall be ineligible to receive an assignment of a credit guarantee or proceeds payable under a credit guarantee issued by the Commodity Credit Corporation under this section if it is determined by the Corporation that such financial institution—

"(1) is not in a sound financial condition;

"(2) is the financial institution issuing the letter of credit or a subsidiary of such institution; or

"(3) is owned or controlled by an entity that owns or controls that financial institution issuing the letter of credit.

"(j) CONDITIONS FOR FISH AND PROCESSED FISH PRODUCTS.—In making available any guarantees of credit under this section in connection with sales of fish and processed fish products, the Secretary shall make such guarantees available under terms and conditions that are comparable to the terms and conditions that apply to guarantees provided with respect to sales of other agricultural commodities under this section.

"SEC. 203. MARKET PROMOTION PROGRAM.

"(a) IN GENERAL.—The Commodity Credit Corporation shall establish and carry out a program to encourage the development, maintenance, and expansion of commercial export markets for agricultural commodities through cost-share assistance to eligible trade

organizations that implement a foreign market development program.

"(b) Type of Assistance.—Assistance under this section may be provided in the form of funds of, or commodities owned by, the Commodity Credit Corporation, as determined appropriate by the Secretary.

"(c) Requirements for Participation.—

"(1) In general.—To be eligible for cost-share assistance under this section, an organization shall—

"(A) be an eligible trade organization;

"(B) prepare and submit a marketing plan to the Secretary that meets the guidelines governing such plans established by the Secretary; and

"(C) meet any other requirements established by the Secretary.

"(2) Priority basis for export assistance.—The Secretary shall provide export assistance under this section on a priority basis in the case of an unfair trade practice.

"(d) Eligible Trade Organizations.—An eligible trade organization shall be—

"(1) a United States agricultural trade organization or regional State-related organization that promotes the export and sale of agricultural commodities and that does not stand to profit directly from specific sales of agricultural commodities;

"(2) a cooperative organization or State agency that promotes the sale of agricultural commodities; or

"(3) a private organization that promotes the export and sale of agricultural commodities if the Secretary determines that such organization would significantly contribute to United States export market development.

"(e) Approved Marketing Plan.—

"(1) In general—A marketing plan submitted by an eligible trade organization under this section shall describe the advertising or other market oriented export promotion activities to be carried out by the eligible trade organization with respect to which assistance under this section is being requested.

"(2) Requirements.—To be approved by the Secretary, a marketing plan submitted under this subsection shall—

"(A) specifically describe the manner in which assistance received by the eligible trade organization in conjunction with funds and services provided by the eligible trade organization will be expended in implementing the marketing plan;

"(B) establish specific market goals to be achieved as a result of the marketing promotion program; and

"(C) contain whatever additional requirements are determined by the Secretary to be necessary.

"(3) Amendments.—A marketing plan may be amended by the eligible trade organization at any time, with the approval of the Secretary.

"(4) Branded promotion.—An agreement entered into under this section may provide for the use of branded advertising to promote the sale of agricultural commodities in a foreign coun-

try under such terms and conditions as may be established by the Secretary.

"*(f) OTHER TERMS AND CONDITIONS.—*

"*(1) MULTI-YEAR BASIS.—The Secretary may provide assistance under this section on a multi-year basis, subject to annual review by the Secretary for compliance with the approved marketing plan.*

"*(2) TERMINATION OF ASSISTANCE.—The Secretary may terminate any assistance made, or to be made, available under this section if the Secretary determines that—*

"*(A) the eligible trade organization is not adhering to the terms and conditions of the program established under this section;*

"*(B) the eligible trade organization is not implementing the approved marketing plan or is not adequately meeting the established goals of the marketing promotion program;*

"*(C) the eligible trade organization is not adequately contributing its own resources to the marketing promotion program;*

"*(D) the unfair trade practice that was the basis of the provision of assistance has been discontinued and marketing assistance is no longer required to offset its effects; or*

"*(E) the Secretary determines that termination of assistance in a particular instance is in the best interests of the program.*

"*(3) EVALUATIONS.—The Secretary shall monitor the expenditure of funds received under this section by recipients of such funds. The Secretary shall make evaluations of such expenditure, including—*

"*(A) an evaluation of the effectiveness of the program in developing or maintaining markets for United States agricultural commodities;*

"*(B) an evaluation of whether assistance provided under this section is necessary to maintain such markets; and*

"*(C) a thorough accounting of the expenditure of such funds by the recipient.*

The Secretary shall make an initial evaluation of expenditures of a recipient not later than 15 months after the initial provision of funds to the recipient.

"*(g) LEVEL OF MARKETING ASSISTANCE.—*

"*(1) IN GENERAL.—The Secretary shall justify in writing the level of assistance provided to an eligible trade organization under the program under this section and the level of cost-sharing required of such organization.*

"*(2) LIMITATION.—Assistance provided under this section for activities described in subsection (e)(4) shall not exceed 50 percent of the cost of implementing the marketing plan, except that the Secretary may determine not to apply such limitation in the case of agricultural commodities with respect to which there has been a favorable decision by the United States Trade Representative under section 301 of the Trade Act of 1974. Criteria for determining that the limitation shall not apply shall be consistent and documented.*

"(3) STAGED REDUCTION IN ASSISTANCE.—In the case of participants that received assistance under section 1124 of the Food Security Act of 1985 prior to the date of enactment of this Act and with respect to which assistance under this section would be limited under paragraph (2), any such reduction in assistance shall be phased down in equal increments over a 5-year period.

"SEC. 204. BARTER OF AGRICULTURAL COMMODITIES.

"(a) IN GENERAL.—The Secretary or the Commodity Credit Corporation may provide eligible commodities in barter for foreign products under such terms and conditions as the Secretary or the Corporation shall prescribe.

"(b) ELIGIBLE COMMODITIES.—Unless otherwise specified, eligible commodities shall include—

"(1) agricultural commodities acquired by the Commodity Credit Corporation through price support operations; and

"(2) agricultural commodities acquired by the Secretary or the Commodity Credit Corporation in the normal course of business and available for disposition.

"(c) BARTER BY EXPORTERS OF AGRICULTURAL COMMODITIES.—

"(1) PURPOSE.—The Secretary or the Commodity Credit Corporation shall encourage exporters of agricultural commodities to barter such commodities for foreign products—

"(A) to acquire such foreign products needed by such exporters; and

"(B) to develop, maintain, or expand foreign markets for United States agricultural exports.

"(2) ELIGIBLE ACTIVITIES.—The Secretary or the Commodity Credit Corporation may provide eligible commodities to exporters to assist such exporters in barter transactions.

"(3) TECHNICAL ASSISTANCE.—The Secretary or the Commodity Credit Corporation shall provide technical advice and assistance relating to the barter of agricultural commodities to any United States exporter who requests such advice or assistance.

"(d) TRANSFER OF FOREIGN PRODUCTS TO OTHER GOVERNMENT AGENCY OR PRIVATE PARTIES.—The Secretary or the Commodity Credit Corporation may transfer any foreign products that the Secretary or such Corporation obtains through barter activities to other government agencies if the Corporation receives assurances that it will receive full reimbursement from the agency within the same fiscal year in which such transfer occurs.

"(e) CORPORATION AUTHORITY NOT LIMITED.—Nothing contained in this section shall limit the authority of the Commodity Credit Corporation to acquire, hold, or dispose of such foreign materials as such Corporation determines appropriate in carrying out the functions and protecting the assets of the Corporation.

"(f) PROHIBITED ACTIVITIES.—The Secretary or the Commodity Credit Corporation shall take reasonable precautions to prevent the misuse of eligible commodities in a barter or exchange program, including activities that—

"(1) displace or interfere with commercial sales of United States agricultural commodities that otherwise might be made;

"(2) unduly disrupt world prices of agricultural commodities or the normal patterns of commercial trade with recipient countries; or

"(3) permit the resale or transshipment of eligible commodities to countries other than the intended recipient country.

"SEC. 205. COMBINATION OF PROGRAMS.

"The Commodity Credit Corporation may carry out a program under which commercial export credit guarantees available under section 202 are combined with direct credits from the Commodity Credit Corporation under section 201 to reduce the effective rate of interest on export sales of agricultural commodities.

"Subtitle B—Implementation

"SEC. 211. FUNDING LEVELS.

"(a) Direct Credit Programs.—The Commodity Credit Corporation may make available for each fiscal year such funds of the Commodity Credit Corporation as it determines necessary to carry out any direct credit program established under section 201.

"(b) Export Credit Guarantee Programs.—

"(1) Short-term guarantees.—

"(A) Minimum amounts.—The Commodity Credit Corporation shall make available for each of the fiscal years 1991 through 1995 not less than $5,000,000,000 in credit guarantees under section 202(a).

"(B) Limitation on origination fee.—Notwithstanding any other provision of law, the Secretary may not charge an origination fee with respect to any credit guarantee transaction under section 202(a) in excess of an amount equal to one percent of the amount of credit extended under the transaction.

"(2) Intermediate-term credit guarantees.—The Commodity Credit Corporation shall make available for each of the fiscal years 1991 through 1995 not less than $500,000,000 in credit guarantees under section 202(b).

"(c) Marketing Promotion Programs.—The Commodity Credit Corporation or the Secretary shall make available for market promotion activities authorized to be carried out by the Commodity Credit Corporation under section 203—

"(1) in addition to any funds that may be specifically appropriated to implement a market development program, not less than $200,000,000 for each of the fiscal years 1991 through 1995 of the funds of, or an equal value of commodities owned by, the Commodity Credit Corporation; and

"(2) any funds that may be specifically appropriated to carry out a marketing promotion program under section 203.

"TITLE III—RESPONSE TO UNFAIR TRADE PRACTICES

"SEC. 301. EXPORT ENHANCEMENT PROGRAM.

"(a) IN GENERAL.—The Commodity Credit Corporation shall carry out in accordance with this section a program to discourage unfair trade practices by making United States agricultural commodities competitive.

"(b) EXPORT BONUS.—

"(1) IN GENERAL.—In carrying out the program established under this section, the Commodity Credit Corporation may—

"(A) make agricultural commodities, acquired by the Commodity Credit Corporation, available to exporters, users, processors, or foreign purchasers at no cost either directly or through the issuance of commodity certificates; and

"(B) make cash payments to exporters, users, and processors.

"(2) CALCULATION OF BONUS LEVELS.—The Commodity Credit Corporation shall—

"(A) maintain an established procedure for evaluating program bonus requests, with guidelines for determining prevailing market prices for targeted commodities and destinations to be used in the calculation of acceptable bonus levels;

"(B) use a clear set of established procedures for measuring transportation and incidental costs to be used in the calculation of acceptable bonus levels and for determining the amount of such costs actually incurred; and

"(C) maintain consistent and effective controls and procedures for auditing and reviewing payment of bonuses and for securing refunds where appropriate.

"(3) DISCLOSURE OF INFORMATION.—The Secretary may, notwithstanding the provisions of section 552 of title 5, United States Code, provide for withholding from the public the procedures and guidelines established under paragraphs (2)(A) and (B) if the Secretary determines that release of such information would adversely affect the operation of the program. Nothing in this paragraph shall be construed to authorize the withholding of information, including such procedures and guidelines, from the Congress.

"(4) COMPETITIVE DISADVANTAGE.—The Secretary shall take such action as is necessary to ensure that equal treatment is provided to domestic and foreign purchasers and users of agricultural commodities in any case in which the importation of a manufactured product made, in whole or in part, from a commodity made available for export under this section would place domestic users of the commodity at a competitive disadvantage.

"(5) DIFFERENT COMMODITIES.—The Commodity Credit Corporation may provide to an exporter, user, or processor, or foreign purchaser, under the program established under this section,

agricultural commodities of a kind different than the agricultural commodity involved in the transaction for which assistance under this section is being provided.

"(6) OTHER EXPORT PROGRAMS.—The Commodity Credit Corporation may provide bonuses under this section in conjunction with other export promotion programs conducted by the Secretary or the Commodity Credit Corporation.

"(7) AVOIDANCE OF PREFERENTIAL APPLICATION.—When using the authorities of this section to promote the exporting of wheat, the Secretary shall make reasonable efforts to avoid giving a preference to one class of wheat disproportionately more than another class.

"(8) DISPLACEMENT.—The Secretary shall avoid the displacement of usual marketings of United States agricultural commodities in carrying out this section.

"(c) PRIORITY IN THE CASE OF LIVESTOCK.—In the case of proposals for bonuses for dairy cattle or other appropriate livestock, the Commodity Credit Corporation shall give priority to proposals that include, in connection with the purchase of the livestock, appropriate herd management training, veterinary services, nutritional training, and other technical assistance necessary for the adaptation of the livestock to foreign environments.

"(d) INAPPLICABILITY OF PRICE RESTRICTIONS.—Any price restrictions that otherwise may be applicable to dispositions of agricultural commodities owned by the Commodity Credit Corporation shall not apply to agricultural commodities provided under this section.

"(e) FUNDING LEVELS.—The Commodity Credit Corporation shall make available for each of the fiscal years 1991 through 1995 not less than $500,000,000 of the funds or commodities of the Commodity Credit Corporation to carry out the program established under this section.

"(g) EFFECT ON THIRD COUNTRIES.—It is not the purpose of the program established under this section to affect adversely the exports of fairly traded agricultural commodities.

"SEC. 302. RELIEF FROM UNFAIR TRADE PRACTICES.

"(a) USE OF PROGRAMS.—

"(1) IN GENERAL.—The Secretary may, for each article described in paragraph (2), make available some or all of the commercial export promotion programs of the Department of Agriculture and the Commodity Credit Corporation to help mitigate or offset the effects of the unfair trade practice serving as the basis for the proceeding described in paragraph (2).

"(2) COMMODITIES SPECIFIED.—Paragraph (1) shall apply in the case of articles for which the United States has instituted, under any international trade agreement, any dispute settlement proceeding based on an unfair trade practice if such proceeding has been prevented from progressing to a decision by the refusal of the party maintaining the unfair trade practice to permit the proceeding to progress.

"(b) CONSULTATIONS REQUIRED.—For any article described in subsection (a)(2), the Secretary shall—

"(1) promptly consult with representatives of the industry producing such articles and other allied groups or individuals re-

garding specific actions or the development of an integrated marketing strategy utilizing some or all of the commercial export programs of the Department of Agriculture and the Commodity Credit Corporation to help mitigate or offset the effects of the unfair trade practice identified in subsection (a)(2); and

"(2) ascertain and take into account the industry preference for the practical use of available commercial export promotion programs in implementing subsection (a)(1).

"SEC. 303. EQUITABLE TREATMENT OF HIGH-VALUE AND VALUE-ADDED UNITED STATES AGRICULTURAL COMMODITIES.

"In the case of any program, such as that established under section 301, operated by the Secretary or the Commodity Credit Corporation during the fiscal years 1991 through 1995, for the purpose of discouraging unfair trade practices, the Secretary shall establish as an objective to expend annually at least 25 percent of the total funds available (or 25 percent of the value of any commodities employed) for program activities involving the export sales of high-value agricultural commodities and value-added products of United States agricultural commodities.

"TITLE IV—GENERAL PROVISIONS

"Subtitle A—Program Controls

"SEC. 401. PROGRAM CONTROLS FOR EXPORT PROGRAMS.

"(a) ARRIVAL CERTIFICATION.—With respect to commodities or other assistance provided, or for which financing or credit guarantees are made available, under the programs authorized in sections 201, 202, and 301, the Commodity Credit Corporation shall—

"(1) require the exporter to maintain records of an official or customary commercial nature or other documents as the Secretary may require, and have access to such documents or records as needed to verify the arrival of agricultural commodities exported in connection with such programs in the countries that were the intended destination of such commodities; and

"(2) obtain certification from the seller or exporter of record of such commodities, that there were no corrupt payments or extra sales services, or other items extraneous to the transaction provided, financed, or guaranteed in connection with the transaction, and that the transaction complied with applicable United States law.

"(b) DIVERSION.—The unauthorized diversion of commodities under the programs authorized in sections 201, 202, and 301 is prohibited. The Commodity Credit Corporation shall establish procedures providing for the annual audit of a sufficient number of export transactions under such programs to ensure that the agricultural commodities that were the subject of such transactions arrived in the country of destination as provided in the sales agreement.

"(c) GOOD FAITH.—The failure of an exporter, seller or other person to comply with the provisions of this section shall not affect the validity of any credit guarantee or other obligation of the Commodity Credit Corporation under the programs under this Act with

respect to any exporter, seller, or person who had no knowledge of such failure to comply at the time such exporter, seller, or person was assigned the credit guarantee or at the time the Corporation entered into such obligation.

"*SEC. 402. COMPLIANCE PROVISIONS.*"

"(a) RECORDS.—

"(1) IN GENERAL.—In the administration of the programs established under sections 201, 202, 203, and 301 the Secretary shall require by regulation each exporter or other participant under the program to maintain all records concerning a program transaction for a period of not to exceed 5 years after completion of the program transaction, and to permit the Secretary to have full and complete access, for such 5-year period, to such records.

"(2) NONPROGRAM TRANSACTIONS.—The Secretary may require by regulation an exporter or other participant in the programs to make records available to the Secretary with respect to nonprogram transactions if such records would pertain directly to the review of program-related transactions undertaken by such exporter or participant, as determined by the Secretary.

"(3) CONFIDENTIALITY.—The personally identifiable information contained in reports under subsection (a) may be withheld in accordance with section 552(b)(4) of title 5, United States Code. Any officer or employee of the Department of Agriculture who knowingly discloses confidential information as defined by section 1905 of title 18, United States Code, shall be subject to section 1905 of title 18, United States Code. Nothing in this subsection shall be construed to authorize the withholding of information from Congress.

"(b) VIOLATION.—If any exporter, assignee, or other participant has engaged in fraud with respect to the programs authorized under this Act, or has otherwise violated program requirements under this Act, the Commodity Credit Corporation may—

"(1) hold such exporter, assignee, or participant liable for any and all losses to the Corporation resulting from such fraud or violation;

"(2) require a refund of any assistance provided to such exporter, assignee, or participant plus interest, as determined by the Secretary; and

"(3) collect liquidated damages from such exporter, assignee, or participant in an amount determined appropriate by the Secretary.

The provisions of this subsection shall be without prejudice to any other remedy that is available under any other provision of law.

"(c) SUSPENSION AND DEBARMENT.—The Commodity Credit Corporation may suspend or debar for 1 or more years any exporter, assignee, or other participant from participation in one or more of the programs authorized by this Act if the Corporation determines, after opportunity for a hearing, that such exporter, assignee, or other participant has violated the terms and conditions of the program or of this Act and that the violation is of such a nature as to warrant suspension or debarment.

"(d) False Certifications.—The provisions of section 1001 of title 18, United States Code, shall apply to any false certifications issued under this Act.

"SEC. 403. DEPARTMENTAL ADMINISTRATION SYSTEM.

"(a) In General.—With respect to each commercial export promotion program of the Department of Agriculture or the Commodity Credit Corporation, the Secretary shall—

"(1) specify by regulation the criteria used to evaluate and approve proposals for that program;

"(2) establish a centralized system to permit the Foreign Agricultural Service to provide the history and current status of any proposal;

"(3) provide for regular audits of program transactions to determine compliance with program objectives and requirements; and

"(4) establish criteria to evaluate loans eligible for guarantees by the Commodity Credit Corporation, so as to ensure that the Corporation does not assume undue risk in providing such guarantees.

"(b) Accessibility of Information.—Information pertaining to the status of a particular proposal shall be retrievable within the central system by appropriate categories, as determined appropriate by the Secretary.

"SEC. 404. REGULATIONS.

"Not later than 180 days after the date of enactment of this Act, the Secretary shall issue regulations implementing the provisions of this Act, including specific regulations pertaining to program compliance requirements under sections 401 and 402.

"Subtitle B—Miscellaneous Provisions

"SEC. 411. AGRICULTURAL EMBARGO PROTECTION.

"(a) Prerequisites; Scope of Compensation.—Notwithstanding any other provision of law, if—

"(1) the President or other member of the executive branch of the Federal Government causes the export of any agricultural commodity to any country or area of the world to be suspended or restricted for reasons of national security or foreign policy under the Export Administration Act of 1979 (50 U.S.C. App. 2401 et seq.) or under any other provision of law;

"(2) such suspension or restriction of the export of such agricultural commodity is imposed other than in connection with a suspension or restriction of all exports from the United States to such country or area of the world; and

"(3) sales of such agricultural commodity for export from the United States to such country or area of the world during the year preceding the year in which the suspension or restriction is imposed exceeds 3 percent of the total sales of such commodity for export from the United States to all foreign countries during the year preceding the year in which the suspension or restriction is in effect;

the Secretary shall compensate producers of the commodity involved by making payments available to such producers, as provided in subsection (b) of this section.

"(b) AMOUNT OF PAYMENTS.—If the Secretary makes payments available to producers under subsection (a), the amount of such payment shall be determined—

"(1) in the case of an agricultural commodity for which payments are authorized to be made to producers under Title I of the Agricultural Act of 1949 (7 U.S.C. 1441 et seq.), by multiplying—

"(A) the farm program payment yield for the producer or the yield established for the farm for the commodity involved; by

"(B) the crop acreage base established for the commodity; by

"(C) the amount by which the average market price per unit of such commodity received by producers during the 60-day period immediately following the date of the imposition of the suspension or restriction is less than 100 percent of the parity price for such commodity, as determined by the Secretary on the date of the imposition of the suspension or restriction; or

"(2) in the case of other agricultural commodities for which price support is authorized for producers under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.), by multiplying the amount by which the average market price per unit of such commodity received by the producers during the 60-day period immediately following the date of the imposition of the suspension or restriction is less than 100 percent of the parity price for such commodity, as determined by the Secretary on the date of the imposition of the suspension or restriction, by the quantity of such commodity sold by the producer during the period that the suspension or restriction is in effect.

"(c) TIME FOR PAYMENTS.—Payments under paragraph (1) of subsection (b) shall be made for each marketing year or part thereof during which the suspension or restriction is in effect and shall be made in equal amounts at 90-day intervals, beginning 90 days after the date of the imposition of the suspension or restriction.

"(d) COMMODITY CREDIT CORPORATION.—The Secretary shall use the Commodity Credit Corporation in carrying out the provisions of this section.

"(e) REGULATIONS.—The Secretary may issue such regulations as are determined necessary to carry out this section.

"SEC. 412. DEVELOPMENT OF PLANS TO ALLEVIATE ADVERSE IMPACT OF EMBARGOES.

"To alleviate, to the maximum extent possible, the adverse impact on farmers, elevator operators, common carriers, and exporters of agricultural commodities of the President or other member of the executive branch of the Federal Government causing the export of any agricultural commodity to any country or area of the world to be suspended or restricted, the Secretary of Agriculture shall—

"(1) develop a comprehensive contingency plan that shall include—

"(A) an assessment of existing farm programs with a view to determining whether such programs are sufficiently flexible to enable the Secretary to efficiently and effectively offset the adverse impact of such a suspension or restriction on farmers, elevator operators, common carriers, and exporters of commodities provided for under such programs;

"(B) an evaluation of the kinds and availability of information needed to determine, on an emergency basis, the extent and severity of the impact of such a suspension or restriction on producers, elevator operators, common carriers, and exporters; and

"(C) the development of criteria for determining the extent, if any, to which the impact of such a suspension or restriction should be offset in the case of each of the sectors referred to in paragraph (1)(B);

"(2) for any suspension or restriction for which compensation is not provided under section 411, prepare and submit to the appropriate Committees of Congress such recommendations for changes in existing agricultural programs, or for new programs, as the Secretary considers necessary to handle effectively, efficiently, economically, and fairly the impact of any such suspension or restriction;

"(3) for any suspension or restriction for which compensation is provided under section 411, prepare and submit to the appropriate Committees of Congress a plan for implementing and administering section 411; and

"(4) require the Commodity Credit Corporation, prior to such Corporation purchasing any contracts for the purpose of offsetting the impact of a commodity suspension or restriction, to—

"(A) prepare an economic justification for each commodity involved in the suspension or restriction to determine if such a purchase is necessary;

"(B) estimate any suspension- or restriction-related benefits and detrimental effects to the exporters, and use both estimates in determining the extent, if any, Federal assistance is needed; and

"(C) limit its purchases to only those types and grades of commodities suspended or restricted from shipment and make such purchases at prices at or near the current market prices.

"SEC. 413. CONTRACTING AUTHORITY TO EXPAND AGRICULTURAL EXPORT MARKETS.

"(a) IN GENERAL.—The Secretary may contract with individuals for services to be performed outside the United States as the Secretary determines necessary or appropriate for carrying out programs and activities to maintain, develop, or enhance export markets for United States agricultural commodities and products.

"(b) NOT EMPLOYEES OF THE UNITED STATES.—Individuals referred to in subsection (a) shall not be regarded as officers or employees of the United States.

"SEC. 414. TRADE CONSULTATIONS CONCERNING IMPORTS.

"(a) CONSULTATION BETWEEN AGENCIES.—The Secretary shall require consultation between the Administrator of the Service and the

heads of other appropriate agencies and offices of the Department of Agriculture, including the Administrator of the Animal and Plant Health Inspection Service, prior to relaxing or removing any restriction on the importation of any agricultural commodity into the United States.

"(b) CONSULTATION WITH TRADE REPRESENTATIVE.—The Secretary shall consult with the United States Trade Representative prior to relaxing or removing any restriction on the importation of any agricultural commodity or a product thereof into the United States.

"SEC. 415. TECHNICAL ASSISTANCE IN TRADE NEGOTIATIONS.

"The Secretary shall provide technical services to the United States Trade Representative on matters pertaining to agricultural trade and with respect to international negotiations on issues related to agricultural trade.

"SEC. 416. LIMITATION ON USE OF CERTAIN EXPORT PROMOTION PROGRAMS.

"(a) IN GENERAL.—The Secretary may provide that a person shall be ineligible for participation in an export program established under title I of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.), or in any other export credit, credit guarantee, bonus, or other export program carried out through, or administered by, the Commodity Credit Corporation or carried out with funds made available pursuant to section 32 of the Act entitled 'An Act to amend the Agricultural Adjustment Act, and for other purposes', approved August 24, 1935 (7 U.S.C. 612c) with respect to the export of any agricultural commodity or product that has been or will be used as the basis for a claim of a refund, as drawback, pursuant to section 313(j)(2) of the Tariff Act of 1930 (19 U.S.C. 1313(j)(2)), of any duty, tax, or fee imposed under Federal law on an imported commodity or product.

"(b) VEGETABLE OIL.—A person shall be ineligible for participation in any of the export programs referred to in subsection (a) with respect to the export of vegetable oil or a vegetable oil product that has been or will be used as the basis for a claim of a refund, as a drawback, pursuant to section 313 of the Tariff Act of 1930, of any duty, tax, or fee imposed under Federal law on an imported commodity or product.

"(c) CERTIFICATION.—If the Secretary takes action under the authority granted under subsection (a), a person applying to export any agricultural commodity under the export programs referred to in subsection (a) shall certify that none of the commodity has been or will be used as the basis of a claim for any refund specified in subsection (a), except that regardless of whether the Secretary takes action under the authority granted under subsection (a), a person applying to export any vegetable oil or vegetable oil product under such programs shall certify that none of the vegetable oil or vegetable oil product has been or will be used as the basis of a claim for any refund specified in subsection (b).

"(d) REGULATIONS.—The Secretary shall promulgate regulations to carry out this section.

"(e) APPLICABILITY.—This section shall not apply to quantities of agricultural commodities and products with respect to which an ex-

porter has entered into a contract, prior to the effective date of this section, for an export sale.

"TITLE V—FOREIGN AGRICULTURAL SERVICE

"SEC. 501. UNDER SECRETARY FOR INTERNATIONAL AFFAIRS AND COMMODITY PROGRAMS.

"There is hereby established in the Department of Agriculture the position of Under Secretary of Agriculture for International Affairs and Commodity Programs to be appointed by the President, by and with the advice and consent of the Senate. The Under Secretary of Agriculture for International Affairs and Commodity Programs is authorized to exercise such functions and perform such duties related to foreign agriculture and agricultural stabilization and conservation, and shall perform such other duties, as may be required by law or prescribed by the Secretary of Agriculture.

"SEC. 502. ADMINISTRATOR OF THE FOREIGN AGRICULTURAL SERVICE.

"(a) ESTABLISHMENT.—There is hereby established in the Department of Agriculture the position of Administrator of the Foreign Agricultural Service.

"(b) DUTIES.—The Administrator of the Foreign Agricultural Service is authorized to exercise such functions and perform such duties related to foreign agriculture, and shall perform such other duties, as may be required by law or prescribed by the Secretary of Agriculture.

"(c) USE OF SERVICE.—In carrying out the duties under this section, the Administrator shall oversee the operations of the Foreign Agricultural Service, the General Sales Manager, and the Agricultural Attache Service.

"SEC. 503. ESTABLISHMENT OF THE FOREIGN AGRICULTURAL SERVICE.

"The Service shall assist the Secretary in carrying out the agricultural trade policy of the United States by acquiring information pertaining to agricultural trade, carrying out market promotion and development activities, and implementing the programs authorized in this Act, the Agricultural Trade Development and Assistance Act of 1954, and other Acts.

"SEC. 504. STAFF OF THE FOREIGN AGRICULTURAL SERVICE.

"(a) PERSONNEL OF THE SERVICE.—To ensure that the agricultural export programs of the United States are carried out in an effective manner, the authorized number of personnel for the Service shall not be less than 900 staff years each fiscal year.

"(b) RANK OF FOREIGN AGRICULTURAL SERVICE OFFICERS IN FOREIGN MISSIONS.—Notwithstanding any other provision of law, the Secretary of State shall, on the request of the Secretary of Agriculture, accord the diplomatic title of Minister-Counselor to the senior Service officer assigned to any United States mission abroad. The number of Service officers holding such diplomatic title at any time may not exceed twelve.

"SEC. 506. AUTHORIZATION OF APPROPRIATIONS.

"There are hereby authorized to be appropriated for the Service such sums as may be necessary to carry out the provisions of this title.

"TITLE VI—REPORTS

"SEC. 601. LONG-TERM AGRICULTURAL TRADE STRATEGY REPORT.

"(a) IN GENERAL.—The Secretary shall periodically prepare a long-term agricultural trade strategy report on the long-term agricultural trade strategy developed by the Secretary under section 104.

"(b) FREQUENCY.—The initial report prepared under subsection (a) shall be submitted under subsection (f) prior to October 1, 1991. Subsequent reports shall be submitted under subsection (f) prior to October 1 of each third fiscal year occurring after fiscal year 1992.

"(c) CONTENTS.—Each report prepared under subsection (a) shall describe in detail each aspect of the long-term agricultural trade strategy prepared under section 104.

"(d) CONSULTATION.—In preparing each report under subsection (a), the Secretary shall consult with the United States Trade Representative to ensure that the report is coordinated with the annual national trade policy agenda that is included in the annual report prepared under section 163 of the Trade Act of 1974 for the relevant fiscal year.

"(e) UPDATE.—The Secretary shall prepare an annual update to the report required under subsection (a) in each of the 2 fiscal years following the year for which a report is prepared under subsection (a). Such updates shall contain a description of any revisions to the long-term agricultural trade strategy under section 104, any changes in law that are necessary to meet the goals of the long-term agricultural trade strategy, and such other information as the Secretary considers appropriate.

"(f) TREATMENT AS ANNUAL BUDGET SUBMISSION.—

"(1) REPORT.—The report required under subsection (a), or the updates required under subsection (e), shall be submitted to Congress annually with the Budget of the United States Government for the appropriate fiscal year.

"(2) RECOMMENDED LEVELS OF SPENDING.—Any provision of a report under subsection (a) or the annual updates under subsection (e) that relates to recommended levels of spending on international activities of the Department of Agriculture shall be included in the Budget of the United States Government submitted by the President for the fiscal year beginning in the year in which such report or update is submitted. Such reports and updates shall be submitted to Congress together with the budget request for other programs of the Department of Agriculture for such fiscal year.

"(g) AVAILABILITY OF REPORT.—

"(1) SUBMISSION TO CONGRESS.—The Secretary shall submit each report required under subsection (a) and the updates to such report under subsection (e) to the Committee on Agriculture, the Committee on Foreign Affairs, and the Committee on Ways and Means of the House of Representatives and to the

Committee on Agriculture, Nutrition, and Forestry and the Committee on Finance of the Senate.

"(2) AVAILABILITY TO PUBLIC.—Except as provided in paragraph (3), the Secretary may make the report required under subsection (a) and the updates under subsection (e) available to the general public, including the department of agriculture of any State.

"(3) CONFIDENTIALITY.—The Secretary may designate parts of the report required under subsection (a) or any update prepared under subsection (e) as confidential and such parts shall not be released to the general public, if—

"(A) the Secretary determines that the release of such information would disadvantage the United States with respect to its competitors in specific foreign markets; or

"(B) the Secretary determines that any of such information is confidential business information.

"(4) EXCEPTION OF PERFORMANCE.—The provisions of paragraph (3)(A) shall not be applicable with respect to that part of the agricultural trade strategy under section 104 that reviews the agricultural trade performance of the United States over the previous 3-year period.

"SEC. 602. EXPORT REPORTING AND CONTRACT SANCTITY.

"(a) EXPORT SALES REPORTS.—

"(1) IN GENERAL.—All exporters of wheat and wheat flour, feed grains, oil seeds, cotton and products thereof, and other commodities that the Secretary may designate as produced in the United States shall report to the Secretary of Agriculture, on a weekly basis, the following information regarding any contract for export sales entered into or subsequently modified in any manner during the reporting period:

"(A) type, class, and quantity of the commodity sought to be exported;

"(B) the marketing year of shipment; and

"(C) destination, if known.

"(2) CONFIDENTIALITY AND COMPILATION OF REPORTS.—Individual reports shall remain confidential in accordance with subsection (c) but shall be compiled by the Secretary and published in compilation form each week following the week of reporting.

"(3) IMMEDIATE REPORTING.—All exporters of agricultural commodities produced in the United States shall, upon request of the Secretary, immediately report to the Secretary any information with respect to export sales of agricultural commodities and at such times as the Secretary may request. When the Secretary requires that such information be reported by exporters on a daily basis, the information compiled from individual reports shall be made available to the public daily.

"(4) MONTHLY REPORTING PERMITTED.—The Secretary may, with respect to any commodity or type or class thereof during any period in which the Secretary determines that—

"(A) there is a domestic supply of such commodity substantially in excess of the quantity needed to meet domestic requirements,

"(B) total supplies of such commodity in the exporting countries are estimated to be in surplus,

"(C) anticipated exports will not result in excessive drain on domestic supplies, and

"(D) to require the reports to be made will unduly hamper export sales,

provide for such reports by exporters and publishing of such data to be on a monthly basis rather than on a weekly basis.

"(b) FAILURE TO REPORT.—Any person who knowingly fails to make any report required under this section shall be fined not more than $25,000 or imprisoned for not more than 1 year, or both.

"(c) CONTRACT SANCTITY.—Notwithstanding any other provision of law, the President shall not prohibit or curtail the export of any agricultural commodity under an export sales contract—

"(1) that is entered into before the President announces an action that would otherwise prohibit or curtail the export of the commodity, and

"(2) the terms of which require delivery of the commodity within 270 days after the date of the suspension of trade is imposed,

except that the President may prohibit or curtail the export of any agricultural commodity during a period for which the President has declared a national emergency or for which the Congress has declared war.

"SEC. 603. OTHER REPORTS TO CONGRESS.

"The Secretary shall, on a quarterly basis, prepare and submit to the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report specifying the cumulative amount of export assistance provided by the Commodity Credit Corporation and the Secretary under the programs provided under this Act, the Commodity Credit Corporation Charter Act, and under the Agricultural Trade Development and Assistance Act of 1954 during the current fiscal year. Such information may be provided in individual reports, in a consolidated report, or in the Long-Term Agricultural Trade Strategy Report (and annual updates to such report) prepared under section 601.".

SEC. 1532. AMENDMENT TO THE AGRICULTURAL ACT OF 1954.

The Agricultural Act of 1954 (7 U.S.C. 1741 et seq.) is amended by adding at the end thereof the following new sections:

"SEC. 108. ANNUAL REPORTS BY AGRICULTURAL ATTACHES.

"(a) IN GENERAL.—The Secretary shall require appropriate officers and employees of the Department of Agriculture, including those stationed in foreign countries, to prepare and submit annually to the Secretary detailed reports that—

"(1) document the nature and extent of—

"(A) programs in such countries that provide direct or indirect government support for the export of agricultural commodities and the products thereof;

"(B) other trade practices that may impede the entry of United States agricultural commodities and the products thereof into such countries; and

"(C) where practicable, the average prices and costs of production in such countries for like commodities exported from the United States to such countries; and

"(2) identify opportunities for the export of United States agricultural commodities and the products thereof to such countries.

"(b) DUTIES.—The Secretary shall—

"(1) annually compile the information contained in reports prepared under subsection (a)—

"(A) on a country by country basis; and

"(B) on a commodity by commodity basis for exports of United States agricultural commodities including fruits, vegetables, legumes, popcorn and ducks, as determined appropriate by the Secretary, the export of which is hampered by an unfair trade practice. Where practicable, the report shall include a comparison of the average prices and costs of production for such commodities in the United States and in the importing countries for the previous crop year.

"(2) in consultation with the agricultural technical advisory committees established under section 135(c) of the Trade Act of 1974 (19 U.S.C. 2155(c)), include in the compilation a priority ranking of those trade barriers identified in subsection (a) by commodity group;

"(3) include in the compilation a list of actions undertaken to reduce or eliminate such trade barriers; and

"(4) not later than January 15 of each year, make the compilation available to Congress, the trade assistance office authorized under section 504 of the Agricultural Trade Act of 1978 (as amended by section 201), the agricultural policy advisory committee, and other interested parties.

"(c) MEETING.—The Secretary and the United States Trade Representative shall convene a meeting, at least once each year, of the Agricultural Policy Advisory Committee and the agricultural technical advisory committees to develop specific recommendations for actions to be taken by the Federal Government and private industry to—

"(1) reduce or eliminate trade barriers or distortions identified in the annual reports required to be submitted under subsections (a) and (b); and

"(2) expand United States agricultural export opportunities identified in such annual reports.

"SEC. 109. ATTACHE EDUCATIONAL PROGRAM.

"The Administrator of the Foreign Agricultural Service shall establish a program within the Service that directs attaches of the Service who are reassigned from abroad to the United States, and other personnel of the Service, to visit and consult with producers and exporters of agricultural commodities and products and State officials throughout the United States concerning various methods to increase exports of United States agricultural commodities and products.".

Subtitle D—General Provisions

SEC. 1541. COTTONSEED OIL AND SUNFLOWER OIL EXPORTS.

Subparagraph (A) of section 301(b)(2) of the Disaster Assistance Act of 1988 (7 U.S.C. 1464 note) is amended to read as follows:

"(A)(i) Effective for each of the fiscal years 1991 through 1995, $50,000,000 of the funds made available under section 32 of the Act entitled 'An Act to amend the Agricultural Adjustment Act, and for other purposes', approved August 24, 1935 (7 U.S.C. 612c) shall, to the extent provided in appropriations Acts, be utilized during each such fiscal year as provided for in clause (1) of the second sentence of such Act to encourage the sale of additional quantities of sunflower seed oil and cottonseed oil in world markets at competitive world prices through the payment of benefits in connection with the exportation of such commodities.

"(ii) Clause (i) shall be implemented in such a manner as to maximize the export of such oils by assuring that the sums made available under such clause are fully obligated in the year or years in which—

"(I) such sums are made available; and

"(II) the domestic prices of such oils exceed competitive world prices.

"(iii) In determining sales on which benefits are to be provided under this subparagraph, the Secretary shall take into consideration solely the amount of benefits needed to encourage the sale.

"(iv) In carrying out this subparagraph, the Secretary shall ensure that, to the maximum extent practicable, equivalent amounts of funds are used during each fiscal year to encourage the sale of sunflower seed oil and cottonseed oil in world markets.".

SEC. 1542. PROMOTION OF AGRICULTURAL EXPORTS TO EMERGING DEMOCRACIES.

(a) GUARANTEES TO BE MADE AVAILABLE.—The Commodity Credit Corporation, for the fiscal years 1991 through 1995 shall make available not less than $1,000,000,000 of export credit guarantees for exports to emerging democracies under section 202 of the Agricultural Trade Act of 1978, in addition to the amounts required under section 211 of that Act for such program.

(b) IMPROVEMENT OF FACILITIES.—A portion of such export credit guarantees shall be made available for the establishment or improvement by United States persons of facilities in emerging democracies to improve handling, marketing, processing, storage, or distribution of imported agricultural commodities and products thereof if the Secretary of Agriculture determines that such guarantees will primarily promote the export of United States agricultural commodities (as defined in section 101(6) of the Agricultural Trade Act of 1978). The Commodity Credit Corporation shall give priority under this subsection to opportunities or projects identified under subsection (d).

(c) CONSULTATIONS.—Before the authority under this section is exercised, the Secretary of Agriculture shall consult with exporters of United States agricultural commodities (as defined in section 101(6) of the Agricultural Trade Act of 1978), nongovernmental experts, and other Federal Government agencies in order to ensure that fa-

cilities in an emerging democracy for which financing is guaranteed under paragraph (1)(B) do not primarily benefit countries which are in close geographic proximity to that emerging democracy.

(d) Sharing United States Agricultural Expertise.—

(1) In general.—

(A) Establishment of program.—For each of the fiscal years 1991 through 1995, the Secretary of Agriculture (hereafter in this section referred to as the "Secretary"), in order to develop, maintain, or expand markets for United States agricultural exports, is directed to make available to emerging democracies the expertise of the United States to make assessments of the food and rural business systems needs of such democracies, make recommendations on measures necessary to enhance the effectiveness of those systems, and identify specific opportunities and projects to enhance the effectiveness of those systems.

(B) Extent of program.—The Secretary shall implement this subsection with respect to at least 3 emerging democracies in each fiscal year.

(2) Experts from the united states.—The Secretary shall implement the requirements of paragraph (1)—

(A) by providing assistance to teams consisting primarily of agricultural consultants and government officials expert in assessing the food and rural business systems of other countries to enable such teams to conduct the assessments, make the recommendations, and identify the opportunities and projects specified in paragraph (1) in emerging democracies; and

(B) by providing necessary subsistence expenses in the United States and necessary transportation expenses by individuals designated by emerging democracies to enable such individuals to consult with food and rural business system experts in the United States to enhance such systems of such emerging democracies.

(3) Cost-sharing.—The Secretary shall encourage the nongovernmental experts described in paragraph (2)(B) to share the costs of, and otherwise assist in, the participation of such experts in the program under this subsection.

(4) Technical assistance.—The Secretary is authorized to provide technical assistance to implement the recommendations, or in connection with the opportunities or projects identified, under paragraph (1).

(5) Reports to secretary.—A team that receives assistance under paragraph (2)(A) shall prepare such reports as the Secretary may designate.

(6) Report to congress.—The Secretary shall annually submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives, a report summarizing the activities carried out under this subsection, including a summary of the assessments and recommendations prepared under this subsection, and the Secretary shall also make the assessments and recommendations available to the public.

(7) Advisory committee.—To provide the Secretary with information that may be useful to the Secretary in carrying out the provisions of this subsection, the Secretary shall establish an advisory committee composed of representatives of the various sectors of the food and rural business systems of the United States.

(8) Use of ccc.—The Secretary shall implement this subsection through the funds and facilities of the Commodity Credit Corporation. The authority provided under this subsection shall be in addition to and not in place of any other authority of the Secretary or the Commodity Credit Corporation.

(9) Level of assistance.—The Secretary shall provide assistance under this subsection of not more than $5,000,000 in any fiscal year.

(e) Foreign Debt Burdens.—

(1) Effect of credits.—In carrying out the program described in subsection (a), the Secretary of Agriculture shall ensure that the credits for which repayment is guaranteed under subsection (a) do not negatively affect the political and economic situation in emerging democracies by excessively adding to the foreign debt burdens of such countries.

(2) Consultation and report.—Not later than 6 months after the effective date of this title, and not later than the end of each 6-month period occurring thereafter, the Secretary of Agriculture, in consultation with other appropriate Federal departments, shall prepare and transmit to the Committee on Foreign Affairs and the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report to assist the Congress in assessing the extent to which credits for which repayment is guaranteed under subsection (a) meet the requirements of paragraph (1). The report shall include—

(A) the amount and allocation, by country, of credit guarantees issued under subsection (a);

(B) the aggregate foreign debt burdens of countries receiving commodities or facilities under such credit guarantees, expressed in terms of debt on account of agricultural commodities or products thereof, or facilities for which guarantees may be made under subsection (a)(1)(B), and all other debt;

(C) the activities of creditor governments and private creditors to reschedule or reduce payments due on existing debt owed to such creditors by a country in cases where such country has been unable to fully meet its debt obligations; and

(D) an analysis of—

(i) the economic effects of the foreign debt burden of each recipient country, and in particular the economic effects on each recipient country of the credits for which repayment is guaranteed under subsection (a); and

(ii) the relationship between any negative economic effects on any recipient country caused by its overall

foreign debt burden and debt incurred under subsection (a) and such country's political stability.

(f) EMERGING DEMOCRACY.—As used in this section, the term "emerging democracy" means any country that, as determined by the President, is taking steps toward—

(1) political pluralism, based on progress toward free and fair elections and a multiparty political system;

(2) economic reform, based on progress toward a market-oriented economy;

(3) respect for internationally recognized human rights; and

(4) a willingness to build a friendly relationship with the United States.

SEC. 1543. AGRICULTURAL FELLOWSHIP PROGRAM FOR MIDDLE INCOME COUNTRIES AND EMERGING DEMOCRACIES.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish a fellowship program for middle income countries and emerging democracies, to be known as the "Cochran Fellowship Program", to provide fellowships to individuals from eligible countries who specialize in agriculture for study in the United States.

(b) ELIGIBLE COUNTRIES.—Countries that meet the following requirements shall be eligible to participate in the program established under this section:

(1) MIDDLE-INCOME COUNTRY.—A country that has developed economically to the point where it no longer qualifies for bilateral foreign aid assistance from the United States because its per capita income level exceeds the eligibility requirements of such assistance programs (hereafter referred to in this section as a "middle-income" country).

(2) ONGOING RELATIONSHIP.—A middle-income country that has never qualified for bilateral foreign aid assistance from the United States, but with respect to which an ongoing relationship with the United States, including technical assistance and training, would provide mutual benefits to such country and the United States.

(3) TYPE OF GOVERNMENT.—A country that has recently begun the transformation of its system of government from a non-representative type of government to a representative democracy and that is encouraging democratic institution building, and the cultural values, institutions, and organizations of democratic pluralism.

(c) PURPOSE OF THE FELLOWSHIPS.—Fellowships under this section shall be provided to permit the recipients to gain knowledge and skills that will—

(1) assist eligible countries to develop agricultural systems necessary to meet the food needs of their domestic populations; and

(2) strengthen and enhance trade linkages between eligible countries and agricultural interests in the United States.

(d) INDIVIDUALS WHO MAY RECEIVE FELLOWSHIPS.—The Secretary shall utilize the expertise of United States agricultural counselors, trade officers, and commodity trade promotion groups working in participating countries to help identify program candidates for fel-

lowships under this section from both the public and private sectors of those countries.

(e) Program Implementation.—The Secretary shall consult with other United States Government agencies, United States universities, and the private agribusiness sector, as appropriate, to design and administer training programs to accomplish the objectives of the Program established under this section.

(f) Authorization of Appropriations.—There are authorized to be appropriated without fiscal year limitation such sums as may be necessary to carry out the program established under this section, except that the amount of such funds in any fiscal year shall not exceed—

(1) for eligible countries that meet the requirements of subsection (b)(1), $3,000,000;

(2) for eligible countries that meet the requirements of subsection (b)(2), $2,000,000; and

(3) for eligible countries that meet the requirements of subsection (b)(3), $5,000,000.

(g) Complementary Funds.—If the Secretary of Agriculture determines that it is advisable in furtherance of the purposes of the program established under this section, the Secretary may accept money, funds, property, and services of every kind by gift, devise, bequest, grant, or otherwise, and may, in any manner, dispose of all such holdings and use the receipts generated from such disposition as general program funds under this section. All funds so designated for the program established under this section shall remain available until expended.

SEC. 1544. ASSISTANCE IN FURTHERANCE OF NARCOTICS CONTROL OBJECTIVES OF THE UNITED STATES.

(a) Waiver of Certain Restrictions.—For the purpose of reducing dependence upon the production of crops from which narcotic and psychotropic drugs are derived, the President may provide economic assistance for a country which, because of its coca production, is a major illicit drug producing country (as defined in section 481(i)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291(i)(2))) to promote the production, processing, or the marketing of products which can be economically produced in such country, notwithstanding the provisions of law described in subsection (b) of this section.

(b) Description of Restrictions Waived.—The provisions of law made inapplicable by subsection (a) are any other provisions of law that would otherwise restrict the use of economic assistance funds with respect to the production, processing, or marketing of agricultural commodities (or the products thereof) or other products, including sections 521, 546, and 547 (but excluding section 510) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990, and comparable provisions of subsequent Acts appropriating funds for foreign operations, export financing, and related programs.

(c) Definition of Economic Assistance.—As used in this section, the term "economic assistance" means assistance under chapter 1 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 and following; relating to development assistance) and assistance

under chapter 4 of part II of that Act (22 U.S.C. 2346 and following; relating to the economic support fund).

SEC. 1545. WORLD LIVESTOCK MARKET PRICE INFORMATION.

(a) DEVELOPMENT OF METHODOLOGY.—The Secretary of Agriculture shall develop appropriate methodology for determining the world price of livestock and livestock products and shall gather and analyze appropriate price and cost of production information concerning such products in foreign countries for the purpose of price discovery and to aid in the sale of livestock and livestock products in foreign export markets.

(b) PUBLICATION OF INFORMATION.—Not later than 240 days after the date of enactment of this Act, and periodically thereafter, the Secretary of Agriculture shall publish the information gathered under subsection (a).

Subtitle E—Studies, Reports, and Other Provisions

SEC. 1551. STUDY OF NORTH AMERICAN FREE TRADE AREA.

The Secretary of Agriculture shall study the effects on the United States agricultural economy of the creation of a North American free trade area, including the creation of a United States-Mexico free trade area. The Secretary shall submit a report on the results of such study to the Congress not later than March 31, 1991.

SEC. 1552. ROSE AND FLOWER STUDY.

(a) IN GENERAL.—The Secretary of Agriculture shall conduct a study of the impact of consignment sales of foreign roses and fresh cut flowers on the domestic rose and fresh cut flower industry, taking into account the findings in the report issued in April 1989 entitled "Competitive Conditions in the U.S. and World Markets for Fresh Cut Roses" by the United States International Trade Commission.

(b) REPORT TO CONGRESS.—Not later than 6 months after the date of enactment of this Act, the Secretary shall report the results of the study conducted under subsection (a) to the Congress, together with any recommendation of the Secretary on how the domestic rose and fresh cut flower industry can compete fairly with the practice of consignment sales.

SEC. 1553. COMMODITY TRANSPORTATION AND TECHNOLOGY ASSESSMENT AND REPORT.

(a) ASSESSMENT.—The Secretary of Agriculture shall conduct an assessment of the impact upon prices received by producers, costs to consumers, and the overall effect upon the ability of the United States to fulfill export goals and expand foreign markets for domestic commodities, of the current agricultural transportation situation, focusing especially on rail transportation capabilities including rail abandonments, periodic shortages of adequate rail car equipment suitable for transporting agricultural commodities, and the practice of rail carriers selling in advance certificates of transportation.

(b) ADDITIONAL REQUIREMENTS.—In preparing the assessment required by this section, the Secretary shall consult with rail, truck,

and waterborne carriers who have experience in the transportation of agricultural commodities, and shall also examine the feasibility of—

(1) providing technical and financial assistance to producers, marketers, and exporters in the design and construction of alternatives to covered rail hopper cars (such as freight containers which could be carried aboard flatbed trucks, flatbed rail cars, river barges, and oceangoing container vessels) for the purpose of transporting bulk commodities to appropriate terminal market facilities; and

(2) encouraging the establishment of a computerized network which would assist producers, marketers, exporters, and carriers in identifying, matching, and coordinating potential cargoes of agricultural commodities with carriers having proper capabilities and equipment in an effort to expedite transportation needs.

(c) REPORT.—Within 240 days after the date of enactment of this Act, the Secretary of Agriculture shall report to the Committee on Agriculture, Nutrition, and Forestry of the Senate and to the Committee on Agriculture of the House of Representatives the results of the assessment conducted under this section, and any recommendations the Secretary may have as a result of such assessment.

SEC. 1554. REPORT ON SECTION 22 SUSPENSION OR TERMINATION.

(a) REQUIREMENT OF REPORT.—If section 22 of the Agricultural Adjustment Act (7 U.S.C. 624) is repealed or all measures proclaimed under such section are suspended, the Secretary of Agriculture shall, prior to the effective date of the suspension or termination of any quantitative limitation or fee in effect under that section, report to the Congress.

(b) CONTENTS OF REPORT.—The report under subsection (a) shall assess each material consequence of the lifting of such limitation or fee, including the impact on—

(1) the Farmers Home Administration and agricultural credit in general;

(2) the prices paid to farmers generally for the affected commodity; and

(3) United States food security needs.

SEC. 1555. AGRICULTURAL EXPORTS TO THE EUROPEAN COMMUNITY.

(a) FINDINGS.—The Congress finds that—

(1) the European Community has established a system, as part of its Europe 1992 economic integration plan, to set product standards and requirements, including those related to agricultural commodities and products thereof, and that system has not been transparent insofar as the European Community has refused reasonable requests to allow United States Government or industry experts to observe meetings of European standards-setting institutions;

(2) the European Community is also currently writing the rules by which United States exporters of agricultural commodities and products thereof will be able to show compliance with European Community product standards and requirements, and has refused to guarantee that such United States exporters will be able to show compliance with European Community product

standards and requirements by using United States laboratories or through self-certification;

(3) the United States maintains an open, transparent system to set standards and requirements for agricultural commodities and products thereof, and many reciprocal arrangements currently in place allow European Community exporters of agricultural commodities and products thereof to show compliance with United States product standards and requirements by using European Community laboratories or through self-certification;

(4) the value of United States exports of agricultural commodities and products thereof to the European Community in 1989 was $6,600,000,000, constituting 17 percent of all United States exports of agricultural commodities and products thereof; and

(5) the product standards and testing policies of the European Community are consequently unfair and discriminatory, and have great potential to reduce significantly exports from the United States of agricultural commodities and products thereof.

(b) STATEMENTS OF POLICY.—

(1) The Congress denounces the European Community's nontransparent process of setting standards and requirements for agricultural commodities and products thereof, and the Congress further denounces the refusal by the European Community to guarantee that United States exporters of such commodities and products will be able to show compliance with European Community standards and requirements by using United States laboratories or through self-certification.

(2) The Congress deplores the adverse consequences of the standards and testing policies of the European Community on the bilateral agricultural trade relationship between the United States and the European Community.

(3) The Congress urges the President to use all available means to bring about significant and far-reaching changes in the standards and testing policies of the European Community in order to protect and maintain United States access to the European Community market for agricultural commodities and products thereof.

SEC. 1556. LANGUAGE PROFICIENCY AND EVALUATION OF FOREIGN AGRICULTURAL SERVICE OFFICERS.

(a) ASSESSMENT OF FOREIGN LANGUAGE COMPETENCE.—The Foreign Agricultural Service shall revise its evaluation reports for its Foreign Service officers so as to require in a separate entry an assessment of the officer's effectiveness in using, in his or her work, a foreign language or foreign languages tested at the General Professional Speaking Proficiency level or above, in cases where the supervisor is capable of making such an assessment.

(b) PRECEDENCE IN PROMOTION.—The Director of Personnel of the Foreign Agricultural Service shall instruct promotion panels to take account of language ability and, all criteria for promotion otherwise being equal, to give precedence in promotions to officers who have achieved at least the General Professional Speaking Proficiency level in 1 or more foreign languages over officers who lack that level of proficiency.

(c) Report to Congress.—Within 6 months after the effective date of this title, the Administrator of the Foreign Agricultural Service shall submit a report to the Committee on Foreign Affairs, the Committee on Agriculture, and the Committee on Post Office and Civil Service of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate, which—

(1) details the extent to which, in the 3 years before the effective date of this title, Foreign Service officers of the Foreign Agricultural Service achieved General Professional Speaking Proficiency level in a primary foreign language of the host countries in which they served before arriving in such countries or within 1 year after such arrival; and

(2) makes specific, new proposals to the Congress on how to ensure that at least 75 percent of Foreign Service officers of the Foreign Agricultural Service have achieved General Professional Speaking Proficiency level in a primary foreign language of the host countries in which they serve before arriving in such countries or within 1 year after such arrival.

SEC. 1557. REPORTING REQUIREMENTS RELATING TO TOBACCO.

The Tobacco Adjustment Act of 1983 is amended by inserting after section 213 (7 U.S.C. 511r) the following new section:

"SEC. 214. REPORTING REQUIREMENTS RELATING TO TOBACCO.

"(a) In General.—Not later than 60 days after the export of tobacco or a tobacco product not described in subsection (b), the exporter of such tobacco or tobacco product shall prepare a report containing the records relating to such export and submit such report to the Secretary of Agriculture.

"(b) Special Rule.—Manufacturers of tobacco products shall prepare and maintain records on all finished cigarettes and cigarette ready tobacco. Information contained in such records shall be aggregated on a quarterly basis, certified as accurate by the entity preparing such aggregation, and submitted to the Secretary of Agriculture as provided for in this section. Tobacco manufacturers shall maintain records utilized to prepare the aggregation for a period of 5 years.

"(c) Scope.—Records maintained under this section shall include the crop year, grade, type, country of origin, poundage, and such other information relating to the tobacco products as the Secretary determines appropriate.

"(d) Reports.—Records, reports, and aggregations submitted to the Secretary of Agriculture under this section shall be provided by the Secretary to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, in a timely manner.

"(e) Penalty.—Any exporter who violates the provisions of this section with respect to the provision of false information or the failure to provide required information shall be subject to section 1001 of title 18, United States Code, for each such violation.

"(f) Confidentiality of Information.—The personally identifiable information contained in reports under this section may be withheld in accordance with section 552(b)(4) of title 5, United States Code. Any officer or employee of the Department of Agriculture who knowingly discloses confidential information as defined by section

1905 of title 18, United States Code, shall be subject to section 1905 of title 18, United States Code. Nothing in this subsection shall be construed to authorize the withholding of information from Congress.".

SEC. 1558. REPORT ON ORIGIN OF EXPORTS OF PEANUTS.

(a) EXPORTERS OF PEANUTS.—Any exporter of raw peanuts, shelled or in shell, shall indicate the country of origin of such peanuts on the export documentation that such exporter is required to complete under other provisions of law.

(b) COLLECTION OF INFORMATION.—The Secretary of Agriculture shall collect the information contained on such export documentation and annually report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate concerning the country of origin of all such peanuts exported from the United States during the calendar year.

(c) CONFIDENTIALITY OF INFORMATION.—The personally identifiable information contained in reports under this section may be withheld in accordance with section 552(b)(4) of title 5, United States Code. Any officer or employee of the Department of Agriculture who knowingly discloses confidential information as defined by section 1905 of title 18, United States Code, shall be subject to section 1905 of title 18, United States Code. Nothing in this subsection shall be construed to authorize the withholding of information from Congress.

SEC. 1559. SENSE OF CONGRESS CONCERNING REBALANCING PROPOSAL OF THE EUROPEAN COMMUNITY.

(a) FINDINGS.—Congress finds that—

(1) the success of the agriculture negotiations under the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) is important to the liberalization of world agricultural trade and the development of the markets for United States commodities;

(2) in order to correct distortions and restrictions in world agricultural markets, the participants in GATT negotiations have committed to substantial and progressive reductions in agricultural protection and support;

(3) the history of establishing more market-oriented trade since World War II has been progressive liberalization through a series of multilateral trade negotiations;

(4) the European Community's proposal to "rebalance" import protections could actually permit the European Community to increase import barriers for some products, including products which have enjoyed barrier free trade status as a result of earlier trade negotiations;

(5) this rebalancing proposal could pose a particularly severe threat to United States exports of corn gluten feed and oilseeds to the European Community, products whose duty-free status the European Community has long sought to undercut; and

(6) the European Community market for United States exports of corn gluten feed and oilseeds has been a successful fixture of United States-European Community trade relations for approximately 30 years, and should not be restricted.

(b) Sense of Congress.—It is the sense of Congress that—

(1) the European Community's proposed rebalancing of import protections is fundamentally at odds with the important goals of liberalizing world agricultural trade and eliminating trade-distorting policies;

(2) such rebalancing could have a particularly severe impact on United States exports of corn gluten feed and oilseeds to the European Community, leaving them vulnerable to unfair treatment and increased trade barriers; and

(3) the United States, throughout the remainder of the Uruguay Round of the GATT negotiations on agriculture, should forcefully reject the European Community's proposal to rebalance import protections.

SEC. 1560. SENSE OF THE SENATE REGARDING MULTILATERAL TRADE NEGOTIATIONS.

(a) In General.—It is the sense of the Senate that the objective of the Uruguay Round of Multilateral Trade Negotiations concerning agricultural trade should be to—

(1) obtain a reform of global agricultural trade and an elimination of the policies and practices that distort agricultural trade; and

(2) to reach an agreement that—

(A) provides United States farmers and agricultural community with the opportunity to compete fairly in international markets;

(B) permits United States farmers to have a safety net to protect them against market instability;

(C) assures consumers of an adequate supply of high quality food and fiber at reasonable prices, both now and in the future; and

(D) assures that humanitarian food needs are met.

(b) Conduct of Negotiations.—It is the sense of the Senate that, in conducting the agricultural trade negotiations in the Uruguay Round of Multilateral Trade Negotiations and in meeting the principal negotiating objectives contained in section 1101(b) of the Omnibus Trade and Competitiveness Act of 1988 and in this section, the United States should—

(1) ensure that any agreement—

(A) is beneficial to United States agricultural producers and businesses;

(B) does not leave an individual commodity vulnerable to unfair treatment or increased barriers and that the various sectors of United States agriculture receive equitable and fair treatment;

(C) permits countries to provide income support and stability from the vagaries of the market directly or indirectly through self-help efforts;

(D) provides a period of adjustment in cases where the reduction or elimination of trade barriers or subsidies would cause industry adjustment and resource reallocation; and

(E) does not sacrifice the interests of the agricultural sector for other sectors of the United States economy;

(2) seek the immediate elimination of all export subsidies that are conditioned on the export of agricultural commodities and products, except bona fide food aid;

(3) not enter into any self-executing agreement that would unduly restrict the authority of the United States to provide for the stabilization of its agricultural economy;

(4) not enter into any agreement that would have the effect of repealing or materially interfering with any existing legal authority designed to promote or protect any domestic agricultural program, the purpose of which is to stabilize prices, or eliminate any existing waiver granted to the United States under the General Agreement on Tariffs and Trade permitting the imposition of quantitative limitations on the entry of commodities into the United States unless the agreement meets the objectives described in this section; and

(5) ensure that any provision for special and differential treatment for developing countries contains guidelines and limitations providing for the phasing out of such treatment as such countries become more competitive.

Subtitle F—Conforming Provisions and Technical Changes

SEC. 1571. AMENDMENTS TO THE OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1988.

The Omnibus Trade and Competitiveness Act of 1988 is amended by repealing sections 4201, 4202, 4205, 4206, 4211, 4212, 4213, 4305, and 4311 (7 U.S.C. 5211, 5212, 5215, 5216, 5231, 5232, 5233, 1736t note, and 1691 note, respectively).

SEC. 1572. AMENDMENTS TO THE FOOD SECURITY ACT OF 1985.

The Food Security Act of 1985 is amended—

(1) in section 1110 (7 U.S.C. 1736o)—

(A) by striking subsection (j); and

(B) by redesignating subsection (k) as subsection (j);

(2) in section 1113(c)(9) (7 U.S.C. 1736-1(c)(9))—

(A) by adding "and" after the semicolon in subparagraph (A);

(B) by striking subparagraph (B); and

(C) by redesignating subparagraph (C) as subparagraph (B); and

(3) by repealing sections 1124, 1125, 1127, 1128, 1132, 1151, 1162, 1165, and 1167 (7 U.S.C. 1736s, 1736t, 1736v, 1736w, 1736x, 2275, 1736z, 1736, and 1736aa).

SEC. 1573. AMENDMENTS TO THE AGRICULTURE AND FOOD ACT OF 1981.

The Agriculture and Food Act of 1981 is amended by repealing sections 1203, 1204, and 1205 (7 U.S.C. 1736i, 1736j, and 1736k).

SEC. 1574. AMENDMENT TO THE FOOD FOR PEACE ACT OF 1966.

The Food for Peace Act of 1966 is amended by repealing section 4 (7 U.S.C. 1707a).

SEC. 1575. AMENDMENT TO THE AGRICULTURAL ACT OF 1949.

The Agricultural Act of 1949 is amended by striking subsection (d) of section 416 (7 U.S.C. 1431(d)).

SEC. 1576. AMENDMENT TO THE AGRICULTURAL ACT OF 1956.

Section 201 of the Agricultural Act of 1956 (7 U.S.C. 1851(b)) is amended by striking subsection (b).

SEC. 1577. AMENDMENT TO THE AGRICULTURAL TECHNICAL CORRECTIONS ACT.

Section 13 of Public Law 101–220 (7 U.S.C. 1736cc) is repealed.

SEC. 1578. AMENDMENT TO THE AGRICULTURAL ACT OF 1970.

Section 812 of the Agricultural Act of 1970 (7 U.S.C. 612c–3) is repealed, effective upon the effective date of regulations promulgated under section 404 of the Agricultural Trade Act of 1978, as amended by this title.

TITLE XVI—RESEARCH

Subtitle A—Extensions and Changes to Existing Programs

SEC. 1601. INCREASED AUTHORIZATIONS FOR, AND THE EXTENSION OR REPEAL OF, EXISTING PROGRAMS.

(a) AGRICULTURAL RESEARCH FACILITIES GRANTS.—Section 4(a) of the Research Facilities Act (7 U.S.C. 390c(a)) is amended—

(1) by striking "$20,000,000" and inserting "$50,000,000"; and

(2) by striking "ending September 30, 1986, through September 30, 1990" and inserting "1991 through 1995".

(b) EXTENSION OF PROGRAMS ESTABLISHED IN THE NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT OF 1977.—

(1) ANIMAL HEALTH AND DISEASE CONTINUING RESEARCH.—Section 1433(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3195(a)) is amended by striking "annually for the period beginning October 1, 1981, and ending September 30, 1990," and inserting "for each of the fiscal years 1991 through 1995,".

(2) ANIMAL HEALTH AND DISEASE NATIONAL OR REGIONAL RESEARCH.—Section 1434(a) of that Act (7 U.S.C. 3196(a)) is amended by striking "annually for the period beginning October 1, 1981, and ending September 30, 1990," and inserting "for each of the fiscal years 1991 through 1995,".

(3) AGRICULTURAL RESEARCH PROGRAMS.—Section 1463 of that Act (7 U.S.C. 3311) is amended—

(A) in subsection (a), by striking "$600,000,000" and all that follows through "1990." and inserting "$850,000,000 for each of the fiscal years 1991 through 1995."; and

(B) in subsection (b), by striking "$270,000,000" and all that follows through "1990." and inserting "$310,000,000 for each of the fiscal years 1991 through 1995.".

(4) EXTENSION EDUCATION.—Section 1464 of that Act (7 U.S.C. 3312) is amended by striking "$370,000,000" and all that fol-

lows through the period and inserting "$420,000,000 for fiscal year 1991, $430,000,000 for fiscal year 1992, $440,000,000 for fiscal year 1993, $450,000,000 for fiscal year 1994, and $460,000,000 for fiscal year 1995.".

(5) Supplemental and alternative crops research.—Section 1473D(a) of that Act (7 U.S.C. 3319d(a)) is amended by striking "1990" and inserting "1995".

(6) Rangeland research advisory board.—Section 1482(a) of that Act (7 U.S.C. 3335(a)) is amended by striking "1990," and inserting "1995,".

(7) Rangeland research.—Section 1483(a) of that Act (7 U.S.C. 3336(a)) is amended by striking "annually for the period beginning October 1, 1981, and ending September 30, 1990." and inserting "for each of the fiscal years 1991 through 1995.".

(c) Dairy Goat Research.—Section 1432(b)(5) of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1981 (7 U.S.C. 3222 note) is amended by striking "ending September 30, 1986, through September 30, 1990," and inserting "1991 through 1995,".

(d)(1) Grants to Upgrade 1890 Land-Grant College Extension Facilities.—Section 1416(b) of the Food Security Act of 1985 (7 U.S.C. 3224(b)) is amended by striking "ending September 30, 1986, through September 30, 1990," and inserting "1991 and 1992,".

(2) Federal Agricultural Research Facilities.—Section 1431 of that Act (99 Stat. 1556) is amended—

(A) in subsection (a), by striking "ending September 30, 1988, through September 30, 1990," and inserting "1991 through 1995,"; and

(B) in subsection (b), by striking "ending September 30, 1986, through September 30, 1990," and inserting "1991 through 1995,".

(e) Critical Agricultural Materials Research.—Section 16 of the Critical Agricultural Materials Act (7 U.S.C. 178n) is amended—

(1) by striking subsection (a) and inserting the following:

"(a) There are authorized to be appropriated to the Secretary of Agriculture such sums as are necessary to carry out this Act in each of the fiscal years 1991 through 1995."; and

(2) by striking subsection (b);

(3) in subsection (c), by striking "subsections (a) and (b)" and inserting "subsection (a)"; and

(4) by redesignating subsections (c), (d), and (e) as subsections (b), (c), and (d), respectively.

(f) Repeal of Programs Established in the National Agricultural Research, Extension, and Teaching Policy Act of 1977.—

(1) Repeals.—The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) is amended—

(A) by repealing section 1402 (7 U.S.C. 3101) relating to Congressional findings;

(B) by striking subsection (c) of 1409A (7 U.S.C. 3124a) and redesignating subsections (d) and (e) of that section as subsections (c) and (d), respectively;

(C) by repealing section 1413A (7 U.S.C. 3129) relating to biomass energy;

(D) by repealing subtitle H (7 U.S.C. 3241–3282) relating to solar energy research and development;

(E) by repealing section 1473B (7 U.S.C. 3319b) relating to technology development for small- and medium-sized farming operations; and

(F) by repealing section 1473C (7 U.S.C. 3319c) relating to the special technology development research program.

(2) CLERICAL AMENDMENTS.—The table of contents of the Food and Agriculture Act of 1977 (Public Law 95–113; 91 Stat. 913) is amended—

(A) in the item relating to subtitle A, by striking "Findings,";

(B) by striking the items relating to section 1402 and 1413A;

(C) by striking the item relating to subtitle H of title XIV and the items relating to the parts and sections of that subtitle; and

(D) by striking the items relating to sections 1473B and 1473C.

SEC. 1602. PURPOSES OF THE AGRICULTURAL RESEARCH AND EXTENSION SYSTEM.

(a) STATEMENT OF PURPOSES.—The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101) is amended by inserting before section 1403 the following new section:

"SEC. 1402. PURPOSES OF AGRICULTURAL RESEARCH AND EXTENSION.

"Subject to the varying conditions and needs of States, Federally funded agricultural research and extension programs shall be designed to, among other things, accomplish the following—

"(1) continue to satisfy human food and fiber needs;

"(2) enhance the long-term viability and competitiveness of the food production and agricultural system of the United States within the global economy;

"(3) expand economic opportunities in rural America and enhance the quality of life for farmers, rural citizens, and society as a whole;

"(4) improve the productivity of the American agricultural system and develop new agricultural crops and new uses for agricultural commodities;

"(5) develop information and systems to enhance the environment and the natural resource base upon which a sustainable agricultural economy depends; or

"(6) enhance human health—

"(1) by fostering the availability and affordability of a safe, wholesome, and nutritious food supply that meets the needs and preferences of the consumer; and

"(2) by assisting farmers and other rural residents in the detection and prevention of health and safety concerns.".

(b) CONFORMING AMENDMENT.—Section 1403 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7

U.S.C. 3102) is amended by striking the section heading and "SEC. 1403." and inserting the following:

"SEC. 1403. ADDITIONAL PURPOSES OF AGRICULTURAL RESEARCH AND EXTENSION.".

(c) CLERICAL AMENDMENTS.—The table of contents of the Food and Agriculture Act of 1977 (Public Law 95-113; 91 Stat. 913) is amended—

(1) by inserting before the item relating to section 1403 the following new item:

"Sec. 1402. Purposes of agricultural research and extension."; and

(2) by striking the item relating to section 1403 and inserting the following new item:

"Sec. 1403. Additional purposes of agricultural research and extension.".

SEC. 1603. DEFINITIONS.

Section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103) is amended—

(1) by striking "and" at the end of paragraph (15);

(2) by inserting "G," after "subtitles E," in paragraph (16); and

(3) by adding at the end the following new paragraphs:

"(17) the term 'sustainable agriculture' means an integrated system of plant and animal production practices having a site-specific application that will, over the long-term—

"(A) satisfy human food and fiber needs;

"(B) enhance environmental quality and the natural resource base upon which the agriculture economy depends;

"(C) make the most efficient use of nonrenewable resources and on-farm resources and integrate, where appropriate, natural biological cycles and controls;

"(D) sustain the economic viability of farm operations; and

"(E) enhance the quality of life for farmers and society as a whole; and

"(18) the term 'Technology Board' means the Agricultural Science Technology Review Board established in section 1408A.".

SEC. 1604. JOINT COUNCIL ON FOOD AND AGRICULTURAL SCIENCES AND NATIONAL AGRICULTURAL RESEARCH AND EXTENSION USERS ADVISORY BOARD.

(a) JOINT COUNCIL.—Section 1407 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3122(a)) is amended to read as follows:

"SEC. 1407. JOINT COUNCIL ON FOOD AND AGRICULTURAL SCIENCES.

"(a) ESTABLISHMENT.—The Secretary shall establish within the Department of Agriculture a committee to be known as the Joint Council on Food and Agricultural Sciences which shall remain in existence until September 30, 1995.

"(b) MEMBERSHIP.—The Joint Council shall be composed of not less than 21 representatives of organizations or agencies which conduct or assist in conducting programs of research, extension, or teaching in the food and agricultural sciences, including the following:

"(1) Six representatives from State cooperative institutions, including at least one from institutions eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee University.

"(2) Four representatives from agencies within the Department of Agriculture which have significant research, extension, and teaching responsibilities.

"(3) One representative from public colleges and universities having a demonstrable capacity to carry out food and agricultural research, extension, or teaching.

"(4) One representative from colleges and universities conducting research related to the food and agricultural sciences.

"(5) Three representatives from private organizations or corporations conducting research in the food and agricultural sciences, including one representative from the food processing industry involved in food technology research.

"(6) One representative from among foundations funding research in the food and agricultural sciences.

"(7) One representative from among farmers, ranchers, and other producers of domestic agricultural commodities.

"(8) One representative from the Office of Science and Technology Policy.

"(9) Two representatives from other Federal agencies determined by the Secretary to be appropriate.

"(10) One representative from the National Academy of Sciences.

"(11) To the extent the Joint Council is composed of more than 21 members, representatives of other public and private institutions, producers, and representatives of the public who are interested in and have the potential to contribute to (as determined by the Secretary) the formulation of national policy in the food and agricultural sciences.

"(c) Administrative Provisions.—

"(1) Terms.—Members of the Joint Council shall be appointed for a term of up to three years by the Secretary from nominations made by the organizations and agencies described in subsection (b). The terms of the members shall be staggered.

"(2) Chairperson.—The Joint Council shall be jointly chaired by the Assistant Secretary of Agriculture for research, extension, and teaching, and a person to be elected from among the non-Federal membership of the Joint Council.

"(3) Meetings.—The Joint Council shall meet at least once during each three-month period. At least one meeting each year shall be a combined meeting with the Advisory Board. The meetings of the Joint Council shall be publicly announced in advance and shall be open to the public. Appropriate records of the activities of the Joint Council shall be kept and made available to the public on request.

"(d) Primary Responsibility.—The primary responsibility of the Joint Council is to bring about more effective research, extension, and teaching in the food and agricultural sciences in the United States by improving the planning and coordination of publicly and privately supported food and agricultural science activities and by

relating Federal budget development and program management to these processes.

"(e) OTHER RESPONSIBILITIES.—The responsibilities of the Joint Council shall also include the following:

"(1) Provide a forum for the interchange of information among the organizations represented by the members of the Joint Council that will assure improved awareness among these organizations concerning the agricultural research, extension, and teaching programs, results, and directions of each organization.

"(2) Analyze and evaluate the economic, environmental, and social impacts of agricultural research, extension, and teaching programs conducted in the United States.

"(3) Determine high priority issues and goals for agricultural research, extension, and teaching programs, and submit annual reports identifying such high priority issues and goals to the Secretary and to Congress.

"(4) Develop and review the effectiveness of a system, for use by the Secretary, of compiling, maintaining, and disseminating information about each federally supported agricultural research or extension project and, to the maximum extent possible, information about private agricultural research and extension projects conducted by colleges and universities, foundations, contract research groups, businesses, and others. Information about private agricultural research and extension shall not be included in this system unless they are partially or entirely funded by the Federal Government or the organizations sponsoring the projects agree to the inclusions of information about such projects.

"(5) Assist the parties in developing, reviewing, and evaluating memoranda of understanding or other documents that detail the terms and conditions between the Secretary and the participants in agricultural research, extension, and teaching programs under this Act and other Acts.

"(6) Assist the Secretary in carrying out the responsibilities assigned to the Secretary under this title through planning and coordination in the food and agricultural sciences, by using, wherever possible, the existing regional research, extension, and teaching organizations of State cooperative institutions to provide regional planning and coordination, and by the development of recommendations and reports describing current and long-range needs, priorities, and goals in the food and agricultural sciences and means to acnieve these goals.

"(7) Coordinate with the Secretary in assessing the current status of, and developing a plan for, the effective transfer of new technologies to the farming community;

"(8) In consultation with the Users Advisory Board—

"(A) provide an annual review and prioritize requests for agricultural related special grants and construction grants;

"(B) provide an annual review of the competitive grants made by the Secretary to determine priority research and grant categories and types that best advance the purposes expressed in section 1402; and

"(C) review and make budget recommendations on the research, extension, and teaching budgets for the Agricultural Research Service, the Forest Service, the Economic Research Service, the Extension Service, the National Agricultural Library, the Cooperative State Research Service, and other department agencies.

"(f) REPORTS.—

"(1) ANNUAL REPORT.—Not later than June 30 of each year, the Joint Council shall prepare a report specifying its conclusions on—

"(A) priorities for food and agricultural research, extension, and teaching programs;

"(B) suggested areas of responsibility among Federal, State, and private organizations in carrying out such programs;

"(C) the levels of financial and other support needed to carry out such programs;

"(D) the progress made toward accomplishing the priorities and associated levels of financial and other support recommended in the annual report issued in the prior year; and

"(E) the activities of the Board in meeting its responsibilities under this section.

"(2) FIVE-YEAR PLAN.—Not later than November 30, 1990, the Joint Council shall prepare a report outlining a five-year plan for food and agricultural sciences that reflects the coordinated views of the research, extension, and teaching community. The Joint Council shall update this plan every two years thereafter in reports reflecting the progress being made toward implementing the plan.

"(3) SUBMISSION OF REPORTS.—Each report prepared under this subsection shall be submitted to the Secretary. Minority views, if timely submitted, shall be included in each such report.".

(b) USERS ADVISORY BOARD.—Section 1408 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123) is amended to read as follows:

"SEC. 1408. NATIONAL AGRICULTURAL RESEARCH AND EXTENSION USERS ADVISORY BOARD.

"(a) ESTABLISHMENT.—The Secretary shall establish within the Department of Agriculture a board to be known as the National Agricultural Research and Extension Users Advisory Board which shall remain in existence until September 30, 1995.

"(b) MEMBERSHIP.—The Advisory Board shall be composed of 21 members appointed by the Secretary. The members shall be appointed to serve staggered terms, in a manner determined appropriate by the Secretary. The members of the Advisory Board shall consist of the following:

"(1) One member who is a producer representing farm cooperatives.

"(2) Two members who are producers representing general farm organizations.

"(3) Four members who are producers representing agricultural commodities, forest product, and aquacultural product groups from various geographic regions.

"(4) One member representing agricultural farm suppliers.

"(5) One member representing food and fiber processors.

"(6) One member representing animal health interests.

"(7) One member engaged in transportation of food and agricultural products to domestic or foreign markets.

"(8) One member representing labor organizations primarily concerned with the production, processing, distribution, or transport of food and agricultural products.

"(9) One member representing food marketing interests.

"(10) One member representing private nonprofit organizations and foundations involved in agricultural research, sustainable agricultural research, education, and extension.

"(11) One member representing private sector organizations involved in development programs and issues in developing countries.

"(12) One member representing agencies of the Department of Agriculture that do not have research capabilities.

"(13) One member engaged in rural development work.

"(14) One member engaged in human nutrition work.

"(15) Two members representing consumer interests, including one member who represents nonprofit consumer advocacy organizations.

"(16) One member representing nonprofit environmental protection organizations.

"(c) CHAIRPERSON; VICE-CHAIRPERSON.—At the first meeting each year of the Advisory Board, the members of the Advisory Board shall elect a chairperson and vice-chairperson from the members. The chairperson and vice-chairperson shall serve in such positions for a term of one year.

"(d) MEETINGS.—The Advisory Board shall meet a sufficient number of times each year to carry out its responsibilities under subsection (f). At least one meeting each year shall be held as a combined meeting with the Joint Council.

"(e) PANELS.—The Advisory Board may establish such panels as the Advisory Board considers appropriate to develop information, reports, advice, and recommendations for the use of the Advisory Board in meeting the responsibilities of the Advisory Board. Members of such panels may include members of the Advisory Board, Advisory Board staff members, individuals from the Department of Agriculture and other departments and agencies of the Federal government, and individuals from the private sector who have expertise in the subject to be examined by the panel.

"(f) RESPONSIBILITIES.—

"(1) ADVISORY OPINIONS.—The Advisory Board shall have general responsibility for preparing independent advisory opinions on the food and agricultural sciences.

"(2) SPECIFIC DUTIES.—The Advisory Board shall have specific responsibility to perform the following duties:

"(A) Review the policies, plans, and goals of programs within the Department of Agriculture involving the food and agricultural sciences, and related programs in other

Federal and State departments and agencies and in the colleges and universities developed by the Secretary under this title.

"(B) Review and assess the extent of agricultural research, teaching, and extension being conducted by the private sector and the relationships and coordination of such activities with Federally supported agricultural research, teaching, and extension programs.

"(C) Review and provide consultation to the Secretary on national policies, priorities, and strategies for agricultural research and extension for both the short and long term.

"(D) Assess the overall adequacy of the distribution of resources and the allocation of funds for the agricultural research, extension, and teaching activities of the Department of Agriculture and make recommendations with regard to such distribution and allocation to the Secretary, Federal agencies, and private organizations that are contributing to the funding of agricultural research, extension, and teaching.

"(E) Identify emerging agricultural research, teaching, and extension issues and suggest programs and technology transfer solutions for use by the public and private agricultural science and education community.

"(F) Evaluate the results and the effectiveness of research and extension programs with regard to their influence on long-term goals of agriculture expressed in sections 1402 and 1403 and consumer needs.

"(g) REPORTS BY THE ADVISORY BOARD.—

"(1) EXAMINATION OF FEDERALLY SUPPORTED AGRICULTURAL RESEARCH AND EXTENSION PROGRAMS.—Not later than July 1 of each year, the Advisory Board shall provide an oral briefing to the Secretary (by the chairperson of the Advisory Board) and a written report to Congress and the Secretary of recommendations concerning the allocation of responsibilities and levels of funding among Federally supported agricultural research and extension programs. The Advisory Board shall include in each oral briefing and written report prepared under this paragraph—

"(A) a review and assessment of the allocation of funds for agricultural research and extension made for the preceding fiscal year by the Department of Agriculture;

"(B) an evaluation of—

"(i) the effectiveness of coordination of Federal and private research initiatives;

"(ii) new research and extension programs that need to be conducted by the research system; and

"(iii) the effectiveness of the private and public research and extension system; and

"(C) minority views, if timely submitted.

"(2) REVIEW OF BUDGET AND SECRETARY'S REPORT.—Not later than February 20 of each year, the Advisory Board shall submit to the President, the Committees on Agriculture and Appropriations of the House of Representatives, and the Committees on

Agriculture, Nutrition, and Forestry and Appropriations of the Senate a report containing—

"(A) an appraisal by the Advisory Board of the proposed budget of the President for the food and agricultural sciences for the fiscal year beginning in the year that report is submitted;

"(B) the recommendations of the Secretary contained in the annual report submitted by the Secretary pursuant to section 1410; and

"(C) separate views of members of the Advisory Board, if timely submitted.

"(3) REQUIREMENT OF REPORTS.—Each report prepared by the Advisory Board shall list the membership of the Advisory Board as of the time the report was prepared, including the organizational and employment affiliation of each member of the Advisory Board.

"(h) REPORT BY SECRETARY.—Not later than February 1 of each year, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the manner in which the recommendations of the Advisory Board have been incorporated into the budget and programs of the Department of Agriculture.".

SEC. 1605. AGRICULTURAL SCIENCE AND TECHNOLOGY REVIEW BOARD.

(a) IN GENERAL.—The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101) is amended by inserting after section 1408 the following new section:

"SEC. 1408A. AGRICULTURAL SCIENCE AND TECHNOLOGY REVIEW BOARD.

"(a) ESTABLISHMENT.—The Secretary, acting through the Joint Council, shall establish and oversee an Agricultural Science Technology Review Board.

"(b) MEMBERSHIP.—

"(1) COMPOSITION.—The Technology Board shall be composed of 11 individuals, to be appointed by the Secretary, who have expertise in technology assessment, environmental sciences, international agricultural issues, the social sciences, agricultural sciences (both basic and applied), technology transfer, and education, including representatives of—

"(A) the Agricultural Research Service;

"(B) the Cooperative State Research Service;

"(C) the Extension Service;

"(D) private foundations and nonprofit organizations who have expertise in agricultural research, education, and technology transfer;

"(E) private agricultural research and technology transfer firms; and

"(F) the Land Grant University System.

"(2) MANNER OF APPOINTMENT.—The Secretary shall appoint members of the Technology Board in a manner determined to be appropriate by the Secretary.

"(3) PRIVATE SECTOR REPRESENTATION.—A majority of the members of the Technology Board appointed under paragraph (1) shall be from the private sector.

"(4) TERM.—Members of the Technology Board shall serve for staggered terms of 3 years, as determined appropriate by the Secretary.

"(5) CHAIRPERSON.—The Technology Board shall select a chairperson from its membership, who shall serve in that position for a term of 1 year.

"(c) TECHNICAL INTERPRETATION AND ASSESSMENTS.—

"(1) IN GENERAL.—The Technology Board shall—

"(A) provide technical interpretation and translation of current and emerging agricultural and environmental science issues for use by the Joint Council and the Advisory Board in setting priorities and conducting evaluations; and

"(B) provide technology assessment of current and emerging public and private agricultural research and technology transfer initiatives, including emerging technologies from private industry and public institutions that would influence agriculture, environment, nutrition, and the broad social, economic, and health consequences on urban and rural communities.

"(2) ASSESSMENTS.—The Technology Board may conduct assessments to consider to what extent agricultural research and extension programs foster—

"(A) the development of farming systems that most effectively take advantage of natural processes and beneficial biological interactions and other sustainable agriculture techniques;

"(B) genetics research that results in crop varieties and livestock that enhance management options, farm productivity, use of inputs, and a diversity of products that can be marketed by the farm operator;

"(C) research to develop farming systems appropriate to climatological uncertainty;

"(D) research to increase the demand for current farm products, and to develop new farm crops and enterprises, that are economically and environmentally advantageous and enhance agricultural diversity;

"(E) research to enhance economic and societal well-being;

"(F) research that develops rural economic development strategies that build on the entrepreneurial skills, self-employment tradition, and the resource base of rural communities and extension programs to disseminate those strategies;

"(G) innovative extension and education programs that transfer new technology to the rural community including small- and moderate-sized family farmers and potential beginning and minority farmers with limited resources; and

"(H) extension programs that substantially involve a broad range of interested individuals, commodity groups, agri-industry groups, farm groups, rural organizations, community groups, farmerworkers, and environmental organizations to broaden input into research and extension priority setting.

"(d) TECHNOLOGY ASSESSMENT REPORT.—

"(1) In general.—Not later than December 31 of each year, the Technology Board shall prepare a report that contains a technology assessment of emerging public and private agricultural research initiatives and activities, including—

"(A) recommendations on how such research would be best directed to advance the purposes set forth in section 1402; and

"(B) an assessment of activities conducted by the Secretary, research components of public and private colleges an universities, and emerging private agricultural research initiatives.

"(2) Recipients.—The Technology Board shall submit the report required under paragraph (1) to the appropriate Committees of Congress, to the Secretary, to the heads of other Federal agencies who support agricultural research, and (on request) to private organizations who have a significant involvement in agricultural research.

"(3) Minority views.—The Technology Board shall include minority views in the report, if timely submitted.".

(b) Conforming Amendments.—

(1) Support.—Section 1412 of that Act (7 U.S.C. 3127) is amended—

(A) by striking the heading and "Sec. 1412." and inserting the following:

"SEC. 1412. SUPPORT FOR THE JOINT COUNCIL, ADVISORY BOARD, AND TECHNOLOGY BOARD.";

(B) in subsection (a)—

(i) by striking "and the Advisory Board" in the matter preceding the paragraphs and inserting ", the Advisory Board, and the Technology Board";

(ii) by inserting "and the Technology Board" immediately before the dash;

(iii) in paragraph (1), by inserting "and the Technology Board" before "may direct";

(iv) in paragraph (2), by striking "Council and" and inserting "Council,"; and

(v) in paragraph (2), by inserting before the period the following: ", and one shall serve as the executive secretary to the Technology Board";

(C) in subsection (b), by striking "and the Advisory Board" and inserting ", the Advisory Board, and the Technology Board"; and

(D) in subsection (c), by striking "and the Advisory Board" and inserting ", the Advisory Board, and the Technology Board".

(2) General provisions.—Section 1413 of that Act (7 U.S.C. 3128) is amended—

(A) in subsection (a), by striking "or the Advisory Board" and inserting ", the Advisory Board, or the Technology Board";

(B) in subsection (b), by striking "and Advisory Board" and inserting ", the Advisory Board, and the Technology Board"; and

(C) by striking subsection (d) and redesignating subsection (e) as subsection (d).

(3) COORDINATION.—Section 1405(12) of that Act (7 U.S.C. 3121(12)) is amended by inserting ", after coordination with the Technology Board," after "establish".

(4) ANNUAL REPORT OF THE SECRETARY.—Paragraph (2) of section 1410 of that Act (7 U.S.C. 3125) is amended to read as follows:

"(2) the recommendations of the Joint Council developed under section 1407(f), the recommendations of the Advisory Board developed under section 1408(g), and the recommendations of the Technology Board developed under section 1408A(d); and".

(c) CLERICAL AMENDMENTS.—The table of contents of the Food and Agriculture Act of 1977 (Public Law 95-113; 91 Stat. 913) is amended—

(1) by inserting after the item relating to section 1408 the following new item:

"Sec. 1408A. Agricultural Science and Technology Review Board."; and

(2) by striking the item relating to section 1412 and inserting the following new item:

"Sec. 1412. Support for the Joint Council, Advisory Board, and Technology Board.".

SEC. 1606. NATIONAL AGRICULTURAL LIBRARY.

(a) IN GENERAL.—The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) is amended by inserting after section 1410 the following new section:

"SEC. 1410A. NATIONAL AGRICULTURAL LIBRARY.

"(a) PURPOSE.—The purpose of this section is to consolidate and expand the statutory authority for the operation of the library of the Department of Agriculture established pursuant to section 520 of the Revised Statutes (7 U.S.C. 2201) as the primary agricultural information resource of the United States.

"(b) ESTABLISHMENT.—There is established in the Department of Agriculture the National Agricultural Library to serve as the primary agricultural information resource of the United States.

"(c) DIRECTOR.—The Secretary shall appoint a Director for the National Agricultural Library who shall be subject to the direction of the Secretary.

"(d) FUNCTIONS OF DIRECTOR.—The Director may—

"(1) acquire, preserve, and manage information and information products and services in all phases of agriculture and allied sciences;

"(2) organize agricultural information and information products and services by cataloging, indexing, bibliographical listing, and other appropriate techniques;

"(3) provide agricultural information and information products and services to agencies of the Department of Agriculture and the Federal Government, public and private organizations, and individuals, within the United States and internationally;

"(4) plan for, coordinate, and evaluate information and library needs related to agricultural research and education;

"(5) cooperate with and coordinate efforts among agricultural college and university libraries, in conjunction with private industry and other agricultural library and information centers, toward the development of a comprehensive agricultural library and information network; and

"(6) coordinate the development of specialized subject information services among the agricultural and library information communities.

"(e) LIBRARY PRODUCTS AND SERVICES.—The Director may—

"(1) make copies of the bibliographies prepared by the National Agricultural Library;

"(2) make microforms and other reproductions of books and other library materials in the Department;

"(3) provide any other library and information products and services; and

"(4) sell those products and services at such prices (not less than the estimated total cost of disseminating the products and services) as the Secretary may determine appropriate.

"(f) RECEIPTS.—Funds received from sales under subsection (e) shall be deposited in the Treasury of the United States to the credit of the applicable appropriation and shall remain available until expended.

"(g) AGREEMENTS.—

"(1) IN GENERAL.—The Director may enter into agreement with, and receive funds from any State, and other political subdivision, organization, business, or individual for the purpose of conducting activities to carry out this section.

"(2) FUNDS.—Funds received under this subsection for payments for library products and services or other activities shall be deposited to the miscellaneous contributed fund account, and shall remain available until expended.

"(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for each fiscal year such sums as may be necessary to carry out this section.".

(b) CONFORMING AMENDMENTS.—

(1) SALES OF COPIES.—The Act of May 23, 1908 (35 Stat. 264, chapter 192; 7 U.S.C. 2242) is amended—

(A) in the second unnumbered paragraph following the heading "LIBRARY.", by striking the second sentence; and

(B) in the second sentence of the second unnumbered paragraph following the heading "OFFICE OF EXPERIMENT STATIONS.", by striking "the Secretary of Agriculture hereafter may furnish" and all that follows through "miscellaneous receipts; and".

(2) SALES OF COPIES.—The Act of March 4, 1915 (38 Stat. 1109, chapter 144; 7 U.S.C. 2242) is amended by striking the eleventh unnumbered paragraph following the heading "STATES RELATIONS SERVICE.".

(3) SALES OF COPIES.—Section 708 of the Act of September 21, 1944 (58 Stat. 742, chapter 412; 7 U.S.C. 2244) is repealed.

(c) CLERICAL AMENDMENT.—The table of contents of the Food and Agriculture Act of 1977 (Public Law 95-113; 91 Stat. 913) is amended by inserting after the item relating to section 1410 the following new item:

"Sec. 1410A. National Agricultural Library.".

SEC. 1607. GRANTS TO ENHANCE RESEARCH CAPACITY IN SCHOOLS OF VETERINARY MEDICINE.

(a) IN GENERAL.—Section 1415 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3151) is amended—

(1) in subsection (a), by striking the first sentence and inserting the following: "The Secretary shall conduct a program of competitive grants to States for the purpose of meeting the costs of renovation, improving compliance with Federal regulations, employing faculty, acquiring equipment, and taking other action related to the improvement of schools of veterinary medicine to ensure agricultural competitiveness on a worldwide basis.";

(2) in subsection (b)(1), by striking ", or has made a reasonable effort to establish," and by striking the final "and"; and

(3) by amending subsection (b)(2) to read as follows and adding a new subsection (b)(3) as follows:

"(2) the clinical training of the school to be improved shall emphasize care and preventive medical programs for food animals and companion animals (including horses) which support industries of major economic importance; and

"(3) the Secretary may set aside a portion of funds appropriated for the award of grants under this section and make such amounts available only for grants to eligible colleges and universities that the Secretary determines have unique capabilities for achieving the objective of full participation of minority groups in research in the Nation's schools of veterinary medicine.".

(b) CONFORMING AMENDMENTS.—Such section is further amended—

(1) by striking the section heading and "SEC. 1415. (a)" and inserting the following:

"SEC. 1415. GRANTS TO ENHANCE RESEARCH CAPACITY IN SCHOOLS OF VETERINARY MEDICINE.

"(a) COMPETITIVE GRANT PROGRAM.—";

(2) by inserting "PREFERENCE.—" after "(b)"; and

(3) by inserting "APPORTIONMENT AND DISTRIBUTION OF FUNDS.—" after "(c)".

(b) CLERICAL AMENDMENT.—The item in the table of contents of the Food and Agriculture Act of 1977 (Public Law 95-113; 91 Stat. 913) relating to section 1415 is amended to read as follows:

"Sec. 1415. Grants to enhance research capacity in schools of veterinary medicine.".

SEC. 1608. GRANTS AND FELLOWSHIPS FOR FOOD AND AGRICULTURAL SCIENCES EDUCATION.

Section 1417 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152) is amended to read as follows:

"SEC. 1417. GRANTS AND FELLOWSHIPS FOR FOOD AND AGRICULTURAL SCIENCES EDUCATION.

"(a) HIGHER EDUCATION TEACHING PROGRAMS.—The Secretary shall promote and strengthen higher education in the food and agri-

cultural sciences by formulating and administering programs to enhance college and university teaching programs in agriculture, natural resources, forestry, veterinary medicine, home economics, and disciplines closely allied to the food and agricultural system.

"(b) Grants.—The Secretary may make competitive grants (or grants without regard to any requirement for competition) to land-grant colleges and universities, to colleges and universities having significant minority enrollments and a demonstrable capacity to carry out the teaching of food and agricultural sciences, and to other colleges and universities having a demonstrable capacity to carry out the teaching of food and agricultural sciences, for a period not to exceed 5 years—

"(1) to strengthen institutional capacities, including curriculum, faculty, scientific instrumentation, instruction delivery systems, and student recruitment and retention, to respond to identified State, regional, national, or international educational needs in the food and agricultural sciences;

"(2) to attract and support undergraduate and graduate students in order to educate the students in national need areas of the food and agricultural sciences;

"(3) to facilitate cooperative initiatives between two or more eligible institutions, or between eligible institutions and units of State government or organizations in the private sector, to maximize the development and use of resources such as faculty, facilities, and equipment to improve food and agricultural sciences teaching programs;

"(4) to design and implement innovative food and agricultural educational programs;

"(5) to conduct undergraduate scholarship programs to meet national and international needs for training food and agricultural scientists and professionals; and

"(6) to conduct graduate and postdoctoral fellowship programs to attract highly promising individuals to research or teaching careers in the food and agricultural sciences.

"(c) Eligibility for Grants.—

"(1) In general.—To be eligible for a grant under subsection (b), a recipient institution must have a significant demonstrable commitment to higher education teaching programs in the food and agricultural sciences and to each specific subject area for which the grant is to be used.

"(2) Minority groups.—The Secretary may set aside a portion of the funds appropriated for the awarding of grants under subsection (b), and make such amounts available only for grants to eligible colleges and universities that the Secretary determines have unique capabilities for achieving the objective of full representation of minority groups in the food and agricultural sciences workforce of the United States.

"(d) Evaluation of Teaching Programs.—The Secretary shall conduct programs to develop, analyze, and provide to colleges and universities data and information that are essential to the evaluation of the quality of teaching programs and to facilitate the design of more effective programs comprising the food and agricultural sciences higher education system of the United States.

"(e) CONTINUING EDUCATION.—The Secretary shall conduct special programs with colleges and universities, and with organizations in the private sector, to support educational initiatives to enable food and agricultural scientists and professionals to maintain their knowledge of changing technology, the expanding knowledge base, societal issues, and other factors that impact the skills and competencies needed to maintain the expertise base available to the agricultural system of the United States. The special programs shall include grants and technical assistance.

"(f) TRANSFERS OF FUNDS AND FUNCTIONS.—Funds authorized in section 22 of the Act of June 29, 1935 (49 Stat. 439, chapter 338; 7 U.S.C. 329) are transferred to and shall be administered by the Secretary of Agriculture. There are transferred to the Secretary all the functions and duties of the Secretary of Education under such Act applicable to the activities and programs for which funds are made available under section 22 of such Act.

"(g) NATIONAL FOOD AND AGRICULTURAL SCIENCES TEACHING AWARDS—.

"(1) ESTABLISHMENT.—The Secretary shall establish a National Food and Agricultural Sciences Teaching Awards program to recognize and promote excellence in teaching food and agricultural sciences at a college or university. The Secretary shall make at least one cash award in each fiscal year to a nominee selected by the Secretary for excellence in teaching a food and agricultural science at a college or university.

"(2) FUNDING.—The Secretary may transfer funds from amounts appropriated for the conduct of any agricultural research, extension, or teaching program to an account established pursuant to this section for the purpose of making the awards. The Secretary may accept gifts in accordance with Public Law 95-442 (7 U.S.C. 2269) for the purpose of making the awards.

"(h) ADMINISTRATION.—The Federal Advisory Committee Act (5 U.S.C. App. 2) and title XVIII of the Food and Agriculture Act of 1977 (7 U.S.C. 2281 et seq.) shall not apply to a panel or board created for the purpose of reviewing applications and proposals for grants or nominations for awards submitted under this section.

"(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for carrying out this section $60,000,000 for each of the fiscal years 1990 through 1995. Of amounts appropriated to carry out this section for a fiscal year, not less than $10,000,000 shall be used for the national needs graduate fellowship program referred to in subsection (b)(6).".

SEC. 1609. GRANTS FOR RESEARCH ON THE PRODUCTION AND MARKETING OF ALCOHOLS AND INDUSTRIAL HYDROCARBONS FROM AGRICULTURAL COMMODITIES AND FOREST PRODUCTS.

(a) GRANTS.—Section 1419 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3154) is amended to read as follows:

"SEC. 1419. GRANTS FOR RESEARCH ON THE PRODUCTION AND MARKETING OF ALCOHOLS AND INDUSTRIAL HYDROCARBONS FROM AGRICULTURAL COMMODITIES AND FOREST PRODUCTS.

"(a) Authority of Secretary.—The Secretary may award grants under this section to colleges, universities, and Federal laboratories for the purpose of conducting research related to—

"(1) alcohol fuels, including ethanol and methanol or their ethers;

"(2) industrial oilseed crops for diesel fuel and petrochemical substitutes;

"(3) other forms of biomass fuels, including gaseous and solid fuels;

"(4) other industrial hydrocarbons made from agricultural commodities and forest products; and

"(5) the development of the most economical and commercially feasible means of producing, collecting, and transporting agricultural crops, wastes, residues, and byproducts for use as feedstocks for the production of alcohol and other forms of biomass energy and the development of new markets for byproducts.

"(b) Set Aside of Funds for Certain Grant Projects.—Of the amounts appropriated in any fiscal year pursuant to the authorization contained in subsection (c), not less than 50 percent of those amounts shall be made available for grants for research relating to the development of technologies for increasing the energy efficiency and commercial feasibility of alcohol production, including—

"(1) processes of cellulose conversion and membrane technology,

"(2) research to improve the quality and value of byproducts to increase digestibility and performance of livestock, poultry, and fish, and

"(3) development of new markets for byproducts.

"(c) Minority Groups.—The Secretary may set aside a portion of funds appropriated for the award of grants under this section and make such amounts available only for grants to eligible colleges and universities that the Secretary determines have unique capabilities for achieving the objective of full participation of minority groups in research on the production and marketing of alcohols and industrial hydrocarbons from agricultural commodities and forest products.

"(d) Authorization of Appropriations.—There are authorized to be appropriated for the purposes of carrying out this section $20,000,000 for each of the fiscal years 1991 through 1995.".

(b) Clerical Amendment.—The item relating to section 1419 in the table of contents of the Food and Agriculture Act of 1977 (Public Law 95-113; 91 Stat. 913) is amended by striking ", and agricultural chemicals and other products from coal derivatives".

SEC. 1610. FOOD SCIENCE AND NUTRITION RESEARCH CENTER.

(a) Grant Authorized.—Subtitle D of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3171 et seq.) is amended by inserting after section 1423 the following new section:

"SEC. 1424. FOOD SCIENCE AND NUTRITION RESEARCH CENTER.

"(a) ESTABLISHMENT OF CENTER.—The Secretary may award a grant to a research facility described in subsection (b) to establish not less than one food science and nutrition research center for the Southeast Region of the United States.

"(b) RESEARCH FACILITY DESCRIBED.—The research facility referred to in subsection (a) is a research facility that is part of a land-grant college or university system and, on October 1, 1990, benefits from a dedicated non-Federal nutrition endowment of not less than $100,000,000.

"(c) ADMINISTRATION OF FUNDS.—The Cooperative State Research Service, in consultation with the Agricultural Research Service, shall administer funds appropriated to carry out this section—

"(1) to assure a coordinated approach to human nutrition research; and

"(2) to avoid duplication of research conducted at any research center established under subsection (a) with research conducted at Federal human nutrition research centers.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for each of the fiscal years 1991 through 1995 such sums as may be necessary to carry out this section.".

(b) CLERICAL AMENDMENT.—The table of contents of the Food and Agriculture Act of 1977 (Public Law 95-113; 91 Stat. 913) is amended by inserting after the item relating to section 1423 the following new item:

"Sec. 1424. Food science and nutrition research center.".

SEC. 1611. ANIMAL HEALTH AND DISEASE RESEARCH STUDY AND ANIMAL HEALTH SCIENCE RESEARCH ADVISORY BOARD.

(a) STUDY OF ANIMAL CARE DELIVERY SYSTEM.—Section 1431 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3193) is amended—

(1) by striking the section heading and "SEC. 1431." and inserting the following:

"SEC. 1431. AUTHORIZATION TO THE SECRETARY OF AGRICULTURE.

"(a) AUTHORITY TO COOPERATE WITH, ENCOURAGE, AND ASSIST STATES.—"; and

(2) by adding at the end the following new subsection:

"(b) STUDY OF ANIMAL CARE DELIVERY SYSTEM.—(1) The Secretary shall commission the National Academy of Sciences, working through the Board on Agriculture of the National Research Council, to conduct a study of the delivery system utilized to provide farmers, including small and limited resource farmers, and ranchers with animal care and veterinary medical services, including animal drugs.

"(2) The study required by this subsection shall assess opportunities to—

"(A) improve the flow of information to producers regarding animal husbandry practices, and diagnostic and treatment methods, including the costs and conditions necessary for the effective use of such practices and methods;

"(B) foster achievement of food safety goals; and

"(C) advance the well-being and treatment of farm animals, with particular emphasis on disease prevention strategies.

"(3) The study required by this subsection shall include recommendations for changes in research and extension policies or priorities, food safety programs and policies, and policies and procedures governing the approval, use, and monitoring of animal drugs.".

(b) CHANGES IN ANIMAL HEALTH SCIENCE RESEARCH ADVISORY BOARD.—Section 1432 of that Act (7 U.S.C. 3194) is amended—

(1) by striking the section heading and "Sec. 1432(a)." and inserting the following:

"SEC. 1432. ANIMAL HEALTH SCIENCE RESEARCH ADVISORY BOARD.

"(a) ESTABLISHMENT AND MEMBERSHIP—";

(2) in subsection (a)—

(A) by striking "1990" in the matter preceding the paragraphs and inserting "1995";

(B) by striking "eleven" in the matter preceding the paragraphs and inserting "12";

(C) by striking "Bureau of" in paragraph (4) and inserting "Center for"; and

(D) in paragraph (5)—

(i) by striking "seven" and inserting "eight";

(ii) by striking "and" at the end of subparagraph (B);

(iii) by redesignating subparagraph (C) as subparagraph (D); and

(iv) by inserting after subparagraph (B) the following new subparagraph:

"(C) one person representing an organization concerned with the general protection and well-being of animals, and"; and

(3) by striking subsection (b) and inserting the following new subsection:

"(b) DUTIES.—The Board shall meet at the call of the Secretary, but at least once annually, to consult with and advise the Secretary with respect to the implementation of any animal health and disease research program provided for under this title, under such rules and procedures for conducting business as the Secretary may prescribe.".

SEC. 1612. GRANT PROGRAMS FOR 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE UNIVERSITY.

(a) RESIDENT INSTRUCTION.—The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) is amended by inserting after section 1445 (7 U.S.C. 3222) the following new section:

"SEC. 1446. RESIDENT INSTRUCTION AT 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE UNIVERSITY.

"(a) PURPOSE.—It is the purpose of this section to promote and strengthen higher education in the food and agricultural sciences at colleges eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee University (hereinafter in this section referred to as 'eligible institutions') by formulating and administering programs to enhance teaching programs in agriculture, natural resources, forestry, veterinary medicine, home econom-

ics, and disciplines closely allied to the food and agriculture production and delivery system.

"(b) GRANTS.—The Secretary shall make competitive grants, or grants without regard to any requirement for competition, to those eligible institutions having a demonstrable capacity to carry out the teaching of food and agricultural sciences.

"(c) USE OF GRANT FUNDS.—Grants made under subsection (b) shall be used to—

"(1) strengthen institutional educational capacities, including libraries, curriculum, faculty, scientific instrumentation, instruction delivery systems, and student recruitment and retention, in order to respond to identified State, regional, national, or international educational needs in the food and agricultural sciences;

"(2) attract and support undergraduate and graduate students in order to educate them in identified areas of national need in the food and agricultural sciences;

"(3) facilitate cooperative initiatives between two or more eligible institutions or between eligible institutions and units of State government, or organizations in the private sector, to maximize the development and use of resources such as faculty, facilities, and equipment to improve food and agricultural sciences teaching programs; and

"(4) conduct undergraduate scholarship programs to assist in meeting national needs for training food and agricultural scientists.

"(d) GRANT REQUIREMENTS.—(1) The Secretary shall ensure that each eligible institution, prior to receiving grant funds under subsection (b), shall have a significant demonstrable commitment to higher education programs in the food and agricultural sciences and to each specific subject area for which grant funds under this subsection are to be used.

"(2) The Secretary may require that any grant awarded under this section contain provisions that require funds to be targeted to meet the needs identified in section 1402.

"(e) MINORITY SET-ASIDE.—The Secretary may set aside a portion of the funds appropriated for grants under this section and make such amounts available only for grants to eligible institutions that the Secretary determines have unique capabilities for achieving the objective or full representation of minority groups that are underrepresented in the Nation's food and agricultural sciences work force.

"(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $11,000,000 for each of the fiscal years 1991 through 1995 to carry out this section.".

(b) AGRICULTURAL AND FOOD SCIENCES FACILITIES.—Such Act is further amended by inserting after section 1446 (as added by subsection (a)) the following new section:

"SEC. 1447. GRANTS TO UPGRADE AGRICULTURAL AND FOOD SCIENCES FACILITIES AT 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE UNIVERSITY.

"(a) PURPOSE.—It is hereby declared to be the intent of Congress to assist the institutions eligible to receive funds under the Act of August 30, 1890, including Tuskegee University (hereafter referred

to in this section as 'eligible institutions') in the acquisition and improvement of agricultural and food sciences facilities and equipment, including libraries, so that the eligible institutions may participate fully in the production of human capital.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Agriculture for the purposes of carrying out the provisions of this section $8,000,000 for each of the fiscal years 1991 through 1995, and such sums shall remain available until expended.

"(c) USE OF GRANT FUNDS.—Four percent of the sums appropriated pursuant to this section shall be available to the Secretary for administration of this grants program. The remaining funds shall be available for grants to eligible institutions for the purpose of assisting them in the purchase of equipment and land, the planning, construction, alteration, or renovation of buildings to strengthen their capacity in the production of human capital in the food and agricultural sciences and can be used at the discretion of the eligible institutions in the areas of research, extension, and resident instruction or any combination thereof.

"(d) METHOD OF AWARDING GRANTS.—Grants awarded pursuant to this section shall be made in such amounts and under such terms and conditions as the Secretary shall determine necessary for carrying out the purposes of this section.

"(e) PROHIBITION OF CERTAIN USES.—Federal funds provided under this section may not be utilized for the payment of any overhead costs of the eligible institutions.

"(f) REGULATIONS.—The Secretary may promulgate such rules and regulations as the Secretary may consider necessary to carry out the provisions of this section.".

(c) NATIONAL RESEARCH AND TRAINING CENTENNIAL CENTERS.—Such Act is further amended by inserting after section 1447 (as added by subsection (b)) the following new section:

"SEC. 1448. NATIONAL RESEARCH AND TRAINING CENTENNIAL CENTERS.

"(a) COMPETITIVE GRANTS AUTHORIZED.—The Secretary of Agriculture may make a competitive grant to five national research and training centennial centers located at colleges (or a consortia of such colleges) eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee University, that—

"(1) have been designated by the Secretary for the fiscal years 1991 through 1995 as national research and training centennial centers; and

"(2) have the best demonstrable capacity, as determined by the Secretary, to provide administrative leadership as—

"(A) a National Center for Goat Research and Training;

"(B) a National Center for Agricultural Engineering Development, Research, and Training;

"(C) a National Center for Water Quality and Agricultural Production Research and Training;

"(D) a National Center for Sustainable Agriculture Research and Training; and

"(E) a National Center for Domestic and International Trade and Development Research and Training.

"(b) USE OF GRANTS.—A grant made under subsection (a) may be expended by a center to—

"(1) pay expenses incurred in conducting research for which the center was designated;

"(2) print and disseminate the results of such research;

"(3) plan, administer, and direct such research; and

"(4) alter or repair buildings necessary to conduct such research.

"(c) PRIORITY.—In making a grant determination under subsection (a), the Secretary shall give priority to those centers that—

"(1) will assure dissemination of information between eligible institutions described in subsection (a) and among agricultural producers; and

"(2) will attract students and needed professionals in the food and agricultural sciences.

"(d) PAYMENTS.—(1) Under the terms of a grant made under subsection (a), funds appropriated under subsection (f) for a fiscal year shall be paid (upon vouchers approved by the Secretary) to a center receiving the grant in equal quarterly installments beginning on or about the first day of October of such year.

"(2) Not later than 60 days after the end of each fiscal year for which funds are paid under this section to a center, the research director of such center shall submit to the Secretary a detailed statement of the disbursements in such fiscal year of funds received by such center under this section.

"(3) If any of the funds received by a center under this section are misapplied, lost, or diminished by any action or contingency on the part of the center—

"(A) the center shall replace such funds; and

"(B) the Secretary shall not distribute to such center any other funds under this subsection until such funds are replaced.

"(e) PROHIBITED USES OF FUNDS.—Funds provided under this section may not be used—

"(1) to acquire or construct a building; or

"(2) to pay the overhead costs of the college (or consortia of colleges) receiving the grant.

"(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $2,000,000 for each of the fiscal years 1991 through 1995 for grants under this section.

"(g) CENTER DEFINED.—For purposes of this section, the term 'center' means a national research and training centennial center that receives a grant under this subsection.

"(h) COORDINATION OF CENTER ACTIVITIES.—(1) The center designated under subsection (a)(2)(C) shall coordinate its activities with the water quality research activities conducted under subtitle G of title XIV of the Food, Agriculture, Conservation, and Trade Act of 1990.

"(2) The center designated under subsection (a)(2)(D) shall coordinate its activities with the sustainable agriculture research and education program established under subtitle B of title XVI of the Food, Agriculture, Conservation, and Trade Act of 1990.".

(d) CLERICAL AMENDMENT.—The table of contents of the Food and Agriculture Act of 1977 (Public Law 95-113; 91 Stat. 913) is amend-

ed by inserting after the item relating to section 1445 the following new items:

"Sec. 1446. Resident instruction at 1890 land-grant colleges, including Tuskegee University.

"Sec. 1447. Grants to upgrade agricultural and food sciences facilities at 1890 land-grant colleges, including Tuskegee University.

"Sec. 1448. National research and training centennial centers.".

SEC. 1613. INTERNATIONAL AGRICULTURAL SCIENCE, EDUCATION, AND DEVELOPMENT AND INTERNATIONAL TRADE DEVELOPMENT CENTERS.

(a) SCIENCE, EDUCATION, AND DEVELOPMENT.—Subsection (a) of section 1458 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3291(a)) is amended to read as follows:

"(a) AUTHORITY OF THE SECRETARY.—To carry out the policy of this subtitle, the Secretary (in consultation with the Agency for International Development and subject to such coordination with other Federal officials, Departments, and agencies as the President may direct) may—

"(1) expand the operational coordination of the Department of Agriculture with institutions and other persons throughout the world performing agricultural and related research and extension activities by—

"(A) exchanging research materials and results with the institutions or persons; and

"(B) conducting with the institutions or persons joint or coordinated research and extension on problems of significance to food and agriculture in the United States;

"(2) enter into cooperative arrangements with Departments and Ministries of Agriculture in other nations to conduct research, extension, and education activities in support of the development of a viable and sustainable global agricultural system, including efforts to establish a global system for plant genetic resources conservation;

"(3) enter into agreements with land-grant colleges and universities, the Agency for International Development, and international organizations (such as the United Nations, World Bank, regional development banks, the International Agricultural Research Center), or other organizations, institutions or individuals with comparable goals, to promote and support the development of a viable and sustainable global agricultural system.

"(4) further develop within the Department highly qualified and experienced scientists and experts who specialize in international programs, to be available to carry out the activities described in this section;

"(5) work with transitional and more advanced countries in food, agricultural, and related research, development, and extension (including providing technical assistance, training, and advice to persons from the countries engaged in the activities and the stationing of scientists and other specialists at national and international institutions in the countries);

"(6) expand collaboration and coordination with the Agency for International Development regarding food and agricultural

research, extension, and education programs in developing countries;

"(7) assist colleges and universities in strengthening their capabilities for food, agricultural, and related research and extension that is relevant to agricultural development activities in other countries through—

"(A) the provision of support to State universities and land-grant colleges and universities to do collaborative research with other countries on issues relevant to United States agricultural competitiveness;

"(B) the provision of support for cooperative extension education in global agriculture and to promote the application of new technology developed in foreign countries to United States agriculture; and

"(C) the provision of support for the internationalization of resident instruction programs of the universities and colleges described in subparagraph (A); and

"(8) establish, in cooperation with the Secretary of State, a program, to be coordinated through the International Arid Land Consortium, to enhance collaboration and cooperation between institutions possessing research capabilities applied to the development, management, and reclamation of arid lands.".

(b) SPECIALIZED OR TECHNICAL SERVICES.—Subsection (c) of section 1458 of that Act (7 U.S.C. 3291) is amended by inserting after "universities" the following: "and other nongovernmental organizations".

(c) INTERNATIONAL TRADE DEVELOPMENT CENTERS.—Section 1458A of that Act (7 U.S.C. 3292) is amended—

(1) in subsection (a)—

(A) by inserting "GRANT PROGRAM.—" after "(a)";

(B) by striking "grants to States" in the first sentence and inserting "grants to States (or regional groupings of States)";

(C) by striking "State funding" in the second sentence and inserting "State or regional funding"; and

(D) by striking "State from" in the second sentence and inserting "State or region from";

(2) by redesignating subsections (b), (c), and (d) as subsections (c), (d), and (e), respectively;

(3) by inserting after subsection (a) the following new subsection:

"(b) LOCATION AND FUNDING OF CERTAIN CENTERS.—The Secretary shall make determinations regarding the location and funding of international trade development centers established after the date of the enactment of this subsection based on a national plan for agricultural export promotion through international trade development centers. Grants under this section shall be made available on a competitive basis in accordance with such plan."; and

(4) in subsection (c) (as redesignated by paragraph (2))—

(A) by inserting "PREFERENCES.—" after "(c)";

(B) by inserting after "shall" in the matter preceding the paragraphs the following: ", consistent with the plan developed under subsection (b),"; and

(C) by striking "States" and inserting "States (or regional groupings of States)".

(d) STYLISTIC AMENDMENTS.—(1) Section 1458 of that Act (7 U.S.C. 3291) (as amended by subsections (a) and (b)) is further amended—

(A) by striking "Sec. 1458." and inserting the following:

"SEC. 1458. INTERNATIONAL AGRICULTURAL RESEARCH AND EXTENSION.";

(B) by inserting "ENHANCING LINKAGES.—" after "(b)";

(C) by inserting "PROVISION OF SPECIALIZED OR TECHNICAL SERVICES.—" after "(c)".

(2) Section 1458A of that Act (7 U.S.C. 3292) (as amended by subsection (b)) is further amended—

(A) by striking the section heading and "Sec. 1458A." and inserting the following:

"SEC. 1458A. GRANTS TO STATES FOR INTERNATIONAL TRADE DEVELOPMENT CENTERS.";

(B) by inserting "ACTIVITIES OF CENTERS.—" after "(d)"; and

(C) by inserting "AUTHORIZATION OF APPROPRIATIONS.—" after "(e)".

SEC. 1614. AQUACULTURE ASSISTANCE PROGRAMS.

(a) FOOD SAFETY; CLOSED-SYSTEM PRODUCTION; AND REPORTS.—Section 1475 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3322) is amended—

(1) in subsection (a)—

(A) by inserting "RESEARCH AND EXTENSION PROGRAM.—" after "(a)"; and

(B) by striking "United States," and inserting "United States and to enhance further the safety of food products derived from the aquaculture industry,";

(2) in subsection (b)—

(A) by inserting "GRANTS.—" after "(b)";

(B) by inserting "and sea grant" after "land-grant"; and

(C) by striking the period at the end of the first sentence and inserting "and to enhance further the safety and wholesomeness of those species and products, including the development of reliable supplies of seed stock and therapeutic compounds.";

(3) in subsection (c), by inserting "AQUACULTURE DEVELOPMENT PLANS.—" after "(c)";

(4) in subsection (d)—

(A) by inserting "AQUACULTURAL CENTERS.—" after "(d)";

(B) by striking "four aquacultural research, development, and demonstration centers" in the first sentence and inserting "five aquacultural research, development, and demonstration centers"; and

(C) by adding at the end the following new sentence: "To the extent practicable, the Secretary shall ensure that equitable efforts are made at these centers in addressing the research needs of those segments of the domestic aquaculture industry located within that region.";

(5) in subsection (e)—

(A) by striking "Not later" and all that follows through "subsequent year," and inserting "Reports.—(1) Not later than March 1 of each year,"; and

(B) by adding at the end the following new paragraph:

"(2) The Secretary shall, in consultation with the interagency aquaculture coordinating group established under section 6(a) of the National Aquaculture Act of 1980 (16 U.S.C. 2805(a)), conduct a study to assess the economic impact of animal damage to the United States aquaculture industry. In conducting such study, the Secretary shall provide for the consideration of all types of animal damage, including predation, that have an impact on aquaculture enterprises, including fish farming. The Secretary shall submit a report detailing the results of such study to the Committee on Agriculture and the Committee on Merchant Marine and Fisheries of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate not later than January 1, 1992."; and

(6) by adding at the end the following new subsections:

"(f) LISTING OF LAWS ON AQUACULTURE.—The interagency aquaculture coordinating group established under section 6(a) of the National Aquaculture Act of 1980 (16 U.S.C. 2805(a)) shall, in consultation with appropriate Federal and State agencies, compile a listing of Federal and State laws, rules, and regulations materially affecting the production, processing, marketing, and transportation of aquaculturally produced commodities and the products thereof. The interagency aquaculture coordinating group shall make such listing available to the public not later than January 1, 1992, and shall update and revise such listing not later than January 1, 1996, to show such laws, rules, and regulations as in effect on that date.

"(g) FISH DISEASE PROGRAM.—The Secretary shall implement, in consultation with the Joint Subcommittee on Aquaculture referred to in section 6 of the National Aquaculture Act of 1980 (16 U.S.C. 2805), a fish disease program to include the development of new diagnostic procedures for fish diseases, the determination of the effect of water environment on the development of the fish immune system, and the development of therapeutic, synthetic, or natural systems, for the control of fish diseases.".

(b) AQUACULTURE RESEARCH FACILITY.—(1) Subtitle L of that Act (7 U.S.C. 3321 et seq.) is amended by inserting after section 1475 the following new section:

"SEC. 1476. AQUACULTURE RESEARCH FACILITIES.

"(a) GRANT AUTHORIZED.—In order to gain further knowledge of intensive water recirculating aquaculture systems, the Secretary may make grants for the purpose of further developing and expanding aquaculture research facilities at Illinois State University in Normal, Illinois, and Virginia Polytechnic Institute and State University in Blacksburg, Virginia, and to conduct such programs as are necessary to do basic and applied research for intensive water recirculating aquaculture systems.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized, in the event the Secretary decides to take action under subsection (a), to be appropriated $500,000 for each of the two facilities for fiscal years 1991 through 1995 to carry out this section.".

(2) The table of contents of the Food and Agriculture Act of 1977 (Public Law 95-113; 91 Stat. 913) is amended by inserting after the item relating to section 1475 the following new item:

"Sec. 1476. Aquaculture research facilities.".

(c) PROGRAM EXTENSION AND CONSTRUCTION PROHIBITION.—Section 1477 of that Act (7 U.S.C. 3324) is amended—

(1) by striking "each fiscal year" and all that follows through "1990." and inserting "each of the fiscal years 1991 through 1995."; and

(2) by adding at the end the following new sentence: "Funds appropriated under this section or section 1476 may not be used to acquire or construct a building.".

(d) APPROPRIATIONS FOR AQUACULTURE.—To authorize appropriations to carry out the National Aquaculture Act of 1980 for fiscal years 1991, 1992, and 1993, paragraphs (1), (2), and (3) of section 10 of the National Aquaculture Act of 1980 (16 U.S.C. 2809) are amended to read as follows:

"(1) to the Department of Agriculture, $1,000,000 for each of the fiscal years 1991, 1992, and 1993;

"(2) to the Department of Commerce, $1,000,000 for each of the fiscal years 1991, 1992, and 1993; and

"(3) to the Department of Interior, $1,000,000 for each of the fiscal years 1991, 1992, and 1993.".

SEC. 1615. NATIONAL COMPETITIVE RESEARCH INITIATIVE.

(a) INITIATIVE ESTABLISHED.—Subsection (b) of section 2 of Public Law 89-106 (7 U.S.C. 450i) is amended—

(1) by inserting "COMPETITIVE GRANTS.—(1)" after "(b)"; and

(2) by striking the third sentence and all that follows and inserting the following new paragraphs:

"(2) HIGH PRIORITY RESEARCH.—For purposes of this subsection, the term 'high priority research' means basic and applied research that focuses on both national and regional research needs (and methods to transfer such research to onfarm or inmarket practice) in—

"(A) plant systems, including plant genome structure and function; molecular and cellular genetics and plant biotechnology; plant-pest interactions and biocontrol systems; crop plant response to environmental stresses; unproved nutrient qualities of plant products; and new food and industrial uses of plant products;

"(B) animal systems, including aquaculture, cellular and molecular basis of animal reproduction, growth, disease, and health; identification of genes responsible for improved production traits and resistance to disease; improved nutritional performance of animals; and improved nutrient qualities of animal products, and uses, and the development of new and improved animal husbandry and production systems that take into account production efficiency and animal well-being, and animal systems applicable to aquaculture;

"(C) nutrition, food quality, and health, including microbial contaminants and pesticides residues related to human health; links between diet and health; bioavailability of nutrients;

postharvest physiology and practices; and improved processing technologies;

"(D) natural resources and the environment, including fundamental structures and functions of ecosystems; biological and physical bases of sustainable production systems; minimizing soil and water losses and sustaining surface water and ground water quality; global climate effects on agriculture; forestry; and biological diversity;

"(E) engineering, products, and processes, including new uses and new products from traditional and non-traditional crops, animals, byproducts, and natural resources; robotics, energy efficiency, computing, and expert systems; new hazard and risk assessment and mitigation measures; and water quality and management; and

"(F) markets, trade, and policy, including optional strategies for entering and being competitive in overseas markets; new decision tools for onfarm and inmarket systems; choices and applications of technology; technology assessment; and new approaches to rural economic development.

"(3) TYPES OF GRANTS.—In addition to making research grants under paragraph (1), the Secretary may conduct a program to improve research capabilities in the agricultural, food, and environmental sciences and award the following categories of competitive grants:

"(A) Grants may be awarded to a single investigator or coinvestigators within the same discipline.

"(B) Grants may be awarded to teams of researchers from different areas of agricultural research and scientific disciplines.

"(C) Grants may be awarded to multidisciplinary teams that are proposing research on long-term applied research problems, with technology transfer a major component of all such grant proposals.

"(D) Grants may be awarded to an institution to allow for the improvement of the research, development, technology transfer, and education capacity of the institution through the acquisition of special research equipment and the improvement of agricultural education and teaching. The Secretary shall use not less than 25 percent, and not more than 40 percent, of the funds made available for grants under this subparagraph to provide fellowships to outstanding pre- and post-doctoral students for research in the agricultural sciences.

"(E) Grants may be awarded to single investigators or coinvestigators who are beginning their research careers and do not have an extensive research publication record. To be eligible for a grant under this subparagraph, an individual shall have less than 5 years of post-graduate research experience.

"(F) Grants may be awarded to ensure that the faculty of small and mid-sized institutions who have not previously been successful in obtaining competitive grants under this subsection receive a portion of the grants.

"(4) TERM.—The term of a competitive grant made under this subsection may not exceed 5 years.

"(5) DIRECTOR.—The Secretary shall appoint a director for the grant program authorized by this subsection. The Secretary, acting

through the director, shall be responsible for the overall direction of the grant program and implementation of general policies respecting the management and operation of programs and activities in the program.

"(6) Participation in Grant Process.—In seeking proposals for grants under this subsection and in performing peer review evaluations of such proposals, the Secretary shall seek the widest participation of qualified scientists in the Federal Government, colleges and universities, State agricultural experiment stations, and the private sector.

"(7) Construction Prohibited.—A grant made under paragraph (1) may not be used for any purpose for which a grant may be made under subsection (d) or for the planning, repair, rehabilitation, acquisition, or construction of a building or facility.

"(8) Matching Funds.—(A) Except as provided in subparagraph (B), the Secretary may not take the offer or availability of matching funds into consideration in making a grant under this subsection.

"(B) In the case of grants under paragraph (3)(D), the amount provided under this subsection may not exceed 50 percent of the cost the special research equipment or other equipment acquired.

"(9) Annual Report.—The Secretary shall transmit to Congress an annual report describing the policies, priorities, and operations of the grant program authorized by this subsection during the preceding fiscal year. The report shall—

"(A) include a description of the progress being made to comply with subsection (j); and

"(B) be transmitted not later than January 1 of each year.

"(10) Authorization of Appropriations.—There are authorized to be appropriated to carry out this subsection $150,000,000 for fiscal year 1991, $275,000,000 for fiscal year 1992, $350,000,000 for fiscal year 1993, and $400,000,000 for fiscal year 1994, and $500,000,000 for fiscal year 1995, of which each fiscal year—

"(A) not less than 10 percent for fiscal year 1991, 20 percent for fiscal year 1992, and 30 percent for fiscal year 1993 and each fiscal year thereafter shall be available to make grants for research to be conducted by multidisciplinary teams;

"(B) not less than 20 percent shall be available to make grants for research to be conducted by persons conducting mission-linked systems research;

"(C) not less than 10 percent shall be available to make grants under subparagraphs (D) and (F) of paragraph (3) for awarding grants in research and education strengthening and research opportunity;

"(D) not more than two percent may be used for equipment grants under subparagraph (3)(D); and

"(E) not more than four percent may be retained by the Secretary to pay administrative costs incurred by the Secretary in carrying out this subsection.".

(b) Administrative Provisions—Such section is further amended by adding at the end the following new subsections:

"(j) Emphasis on Sustainable Agriculture.—The Secretary of Agriculture shall ensure that grants made under subsections (b) and (c) are, where appropriate, consistent with the development of systems of sustainable agriculture. For purposes of this section, the

term 'sustainable agriculture' has the meaning given that term in section 1404(17) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(17)).

"(k) Reports.—The Secretary of Agriculture shall prepare and submit to Congress on January 1 of each year a report on awards made under subsections (b) and (c) during the previous fiscal year.

"(l) Consultation With Technology Board.—The Secretary of Agriculture may consult with the Agricultural Science and Technology Review Board regarding the policies, priorities, and operation of subsections (b) and (c).".

(c) Stylistic Amendments.—Such section is further amended—

(1) by striking "Sec. 2. (a)" and inserting the following:

"SEC. 2. COMPETITIVE, SPECIAL, AND FACILITIES RESEARCH GRANTS.

"(a) Establishment of Grant Program.—";

(2) in subsection (d), by inserting "Facilities Grants.—" after "(d)";

(3) in subsection (e), by inserting "Record Keeping.—" after "(e)";

(4) in subsection (f), by inserting "Limits on Overhead Costs.—" after "(f)";

(5) in subsection (g), by inserting "Authorization of Appropriations.—" after "(g)";

(6) in subsection (h), by inserting "Rules.--" after "(h)"; and

(7) in subsection (i), by inserting "Application of Other Laws.—" after "(i)".

SEC. 1616. SPECIAL RESEARCH GRANTS.

Subsection (c) of section 2 of the Act of August 4, 1965 (7 U.S.C. 450i), is amended to read as follows:

"(c) Special Grants.—(1) The Secretary of Agriculture may make grants, for periods not to exceed 5 years—

"(A) to State agricultural experiment stations, all colleges and universities, other research institutions and organizations, Federal agencies, private organizations or corporations, and individuals for the purpose of conducting research to facilitate or expand promising breakthroughs in areas of the food and agricultural sciences of importance to the United States; and

"(B) to State agricultural experiment stations, land-grant colleges and universities, research foundations established by land-grant colleges and universities, colleges and universities receiving funds under the Act of October 10, 1962 (16 U.S.C. 582a et seq.), and accredited schools or colleges of veterinary medicine for the purpose of facilitating or expanding ongoing State-Federal food and agricultural research programs that—

"(i) promote excellence in research on a regional and national level;

"(ii) promote the development of regional research centers;

"(iii) promote the research partnership between the Department of Agriculture, colleges and universities, research foundations, and State agricultural experiment stations for regional research efforts; and

"(iv) facilitate coordination and cooperation of research among States through regional research grants.

"(2) Limitations.—The Secretary may not make a grant under this subsection—

"(A) for any purpose for which a grant may be made under subsection (d); or

"(B) for the planning, repair, rehabilitation, acquisition, or construction of a building or facility.

"(3) Matching Funds.—Grants made under this subsection shall be made without regard to matching funds.

"(4) Set Asides.—Of amounts appropriated for a fiscal year to carry out this subsection—

"(A) ninety percent of such amounts shall be used for grants for regional research projects; and

"(B) four percent of such amounts may be retained by the Secretary to pay administrative costs incurred by the Secretary to carry out this subsection.".

SEC. 1617. MINIMIZATION OF CONFLICTS OF INTEREST OF EMPLOYEES OF COLLEGES RECEIVING FUNDS UNDER THE SMITH-LEVER ACT.

Section 4 of the Act of May 8, 1914 (commonly known as the Smith-Lever Act) (7 U.S.C. 344), is amended by inserting after the second sentence the following: "The Secretary shall ensure that each college seeking to receive funds under this Act has in place appropriate guidelines, as determined by the Secretary, to minimize actual or potential conflicts of interest among employees of such college whose salaries are funded in whole or in part with such funds.".

SEC. 1618. AGRICULTURAL EXPERIMENT STATIONS AND TRANSPORTATION OF VIRUS OF FOOT-AND-MOUTH DISEASE.

(a) Reapportionment of Withheld Allotments for Agricultural Experiment Stations.—Section 3(d) of the Act of March 2, 1887 (7 U.S.C. 361c(d)) is amended by inserting before the period at the end the following: "and reapportioned among the States".

(b) Certain Transportation Authorized Under Adequate Safeguards.—The proviso in the first sentence in section 12 of the Act of May 29, 1884 (21 U.S.C. 113a) is amended—

(1) by striking "United States except" and inserting "United States (except"; and

(2) by striking "tunnel, and" and inserting the following: "tunnel) unless the Secretary determines that it is necessary and in the public interest for the conduct of research and study in the United States (except at Brookhaven National Laboratory in Upton, New York) and issues a permit under such rules as the Secretary shall promulgate to protect animal health,".

Subtitle B—Sustainable Agriculture Research and Education

SEC. 1619. PURPOSE AND DEFINITIONS.

(a) Purpose.—It is the purpose of this subtitle to encourage research designed to increase our knowledge concerning agricultural production systems that—

(1) maintain and enhance the quality and productivity of the soil;

(2) conserve soil, water, energy, natural resources, and fish and wildlife habitat;

(3) maintain and enhance the quality of surface and ground water;

(4) protect the health and safety of persons involved in the food and farm system;

(5) promote the well being of animals; and

(6) increase employment opportunities in agriculture.

(b) DEFINITIONS.—For purposes of this subtitle:

(1) The term "sustainable agriculture" shall have the same meaning given to that term by section 1404(17) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(17)).

(2) The term "integrated crop management" means an agricultural management system that integrates all controllable agricultural production factors for long-term sustained productivity, profitability, and ecological soundness.

(3) The term "integrated resource management" means livestock management which utilizes an interdisciplinary systems approach which integrates all controllable agricultural production practices to provide long-term sustained productivity and profitable production of safe and wholesome food in an environmentally sound manner.

(4) The term "agribusiness" includes a producer or organization engaged in an agricultural enterprise with a profit motive.

(5) The term "extension" shall have the same meaning given to that term by section 1404(7) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(7)).

(6) The term "Secretary" means the Secretary of Agriculture.

(7) The term "Advisory Council" means the National Sustainable Agriculture Advisory Council established under section 1622(c).

(8) The term "State" means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands of the United States, American Samoa, the Commonwealth of the Northern Marianas Islands, the Trust Territory of the Pacific Islands, or federally recognized Indian tribes.

(9) The term "State agricultural experiment stations" shall have the same meaning given to that term by section 1404(13) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(13)).

(10) The term "nonprofit organization" means an organization, group, institute, or institution that—

(A) has a demonstrated capacity to conduct agricultural research or education programs;

(B) has experience in research, demonstration, education, or extension in sustainable agricultural practices and systems; and

(C) qualifies as a nonprofit organization under section 501(c) of the Internal Revenue Code of 1986.

SEC. 1620. REPEAL OF AGRICULTURAL PRODUCTIVITY RESEARCH.

(a) Repeal.—Subtitle C (sections 1461 through 1471) of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (7 U.S.C. 4701–4710) is repealed.

(b) Clerical Amendment.—The table of contents at the beginning of the Food Security Act of 1985 (Public Law 99–198; 99 Stat. 1354) is amended by striking the items relating to subtitle C of title XIV.

CHAPTER 1—BEST UTILIZATION OF BIOLOGICAL APPLICATIONS

SEC. 1621. RESEARCH AND EXTENSION PROJECTS.

(a) Projects Required.—The Secretary shall conduct research and extension projects to obtain data, develop conclusions, demonstrate technologies, and conduct educational programs that promote the purposes of this chapter, including research and extension projects that—

(1) facilitate and increase scientific investigation and education in order to—

(A) reduce, to the extent feasible and practicable, the use of chemical pesticides, fertilizers, and toxic natural materials in agricultural production;

(B) improve low-input farm management to enhance agricultural productivity, profitability, and competitiveness; and

(C) promote crop, livestock, and enterprise diversification; and

(2) facilitate the conduct of projects in order to—

(A) study, to the extent practicable, agricultural production systems that are located in areas that possess various soil, climate, and physical characteristics;

(B) study farms that have been, and will continue to be, managed using farm production practices that rely on low-input and conservation practices;

(C) take advantage of the experience and expertise of farmers and ranchers through their direct participation and leadership in projects;

(D) transfer practical, reliable and timely information to farmers and ranchers concerning low-input sustainable farming practices and systems; and

(E) promote a partnership between farmers, nonprofit organizations, agribusiness, and public and private research and extension institutions.

(b) Agreements.—The Secretary shall carry out this section through agreements entered into with land-grant colleges or universities, other universities, State agricultural experiment stations, the State cooperative extension services, nonprofit organizations with demonstrable expertise, or Federal or State governmental entities.

(c) Selection of Projects.—

(1) In general.—The Secretary shall select research and extension projects to be conducted under this section on the basis of—

(A) the recommendations of the Advisory Council;

(B) the relevance of the project to the purposes of this chapter;

(C) the appropriateness of the design of the project;

(D) the likelihood of obtaining the objectives of the project; and

(E) the national or regional applicability of the findings and outcomes of the proposed project.

(2) PRIORITY.—In conducting projects under this section, the Secretary shall give priority to projects that—

(A) are recommended by the Advisory Council;

(B) closely coordinate research and extension activities;

(C) indicate the manner in which the findings of the project will be made readily usable by farmers;

(D) maximize the involvement and cooperation of farmers, including projects involving on-farm research and demonstration;

(E) involve a multidisciplinary systems approach; and

(F) involve cooperation between farms, non-profit organizations, colleges and universities, and government agencies.

(d) DIVERSIFICATION OF RESEARCH.—The Secretary shall conduct projects and studies under this section in areas that are broadly representative of the diversity of United States agricultural production, including production on family farms, mixed-crop livestock farms and dairy operations.

(e) ON-FARM RESEARCH.—The Secretary may conduct projects and activities that involve on-farm research and demonstration in carrying out this section.

(f) IMPACT STUDIES.—The Secretary may approve study projects concerning the national and regional economic, global competitiveness, social and environmental implications of the adoption of low-input sustainable agricultural practices and systems.

(g) PROJECT DURATION.—

(1) IN GENERAL.—The Secretary may approve projects to be conducted under this section that have a duration of more than one fiscal year.

(2) SEQUENCE PLANTING.—In the case of a research project conducted under this section that involves the planting of a sequence of crops or crop rotations, the Secretary shall approve such projects for a term that is appropriate to the sequence or rotation being studied.

(h) PUBLIC ACCESS.—The Secretary shall ensure that research projects conducted under this section are open for public observation at specified times.

(i) INDEMNIFICATION.—

(1) IN GENERAL.—Subject to paragraph (2), the Secretary may indemnify the operator of a project conducted under this section for damage incurred or undue losses sustained as a result of a rigid requirement of research or demonstration under such project that is not experienced in normal farming operations.

(2) SUBJECT TO AGREEMENT.—An indemnity payment under paragraph (1) shall be subject to any agreement between a project grantee and operator entered into prior to the initiation of such project.

SEC. 1622. PROGRAM ADMINISTRATION.

(a) Duties of Secretary.—The Secretary shall—

(1) administer the programs and projects conducted under sections 1621 and 1623 through the Cooperative State Research Service in close cooperation with the Extension Service, Agricultural Research Service, and other appropriate agencies;

(2) establish the Advisory Council in accordance with subsection (c);

(3) establish a minimum of four Regional Administrative Councils in accordance with subsection (e); and

(4) in conjunction with such Regional Administrative Councils, identify regional host institutions required to carry out such programs or projects.

(b) Reports.—The Secretary shall, not later than April 1, 1991, and each April 1 thereafter, prepare and submit to the Committee on Agriculture of the House of Representatives, the Committee on Agriculture, Nutrition, and Forestry of the Senate, and the Advisory Council—

(1) a report describing the results of the programs carried out under sections 1621, 1623, and 1627; and

(2) a report describing the progress of projects conducted under this subtitle, including—

(A) a summary and analysis of data collected under such projects;

(B) recommendations based on such data for new basic or applied research;

(C) the number, length, and type of projects proposed, funded and carried out, by region; and

(D) the national and regional economic, social, and environmental implications of the adoption of practices developed under this subtitle and section 1650.

(c) National Sustainable Agriculture Advisory Council.—The membership of the National Sustainable Agriculture Advisory Council shall include representatives of—

(1) the Agricultural Research Service;

(2) the Cooperative State Research Service;

(3) the Soil Conservation Service;

(4) the Extension Service;

(5) State cooperative extension services;

(6) State agricultural experiment stations;

(7) the Economic Research Service;

(8) the National Agricultural Library;

(9) the Environmental Protection Agency;

(10) the Farmers Home Administration;

(11) the Board on Agriculture of the National Academy of Sciences;

(12) private nonprofit organizations with demonstrable expertise;

(13) farmers utilizing systems and practices of sustainable agriculture;

(14) the United States Geological Survey;

(15) agribusiness; and

(16) other specialists in agricultural research or technology transfer, including individuals from colleges eligible to receive

funds under the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee University, or other colleges or universities with demonstrable expertise.

(d) RESPONSIBILITIES OF ADVISORY COUNCIL.—The Advisory Council shall—

(A) make recommendations to the Secretary concerning research and extension projects that should receive funding under sections 1621 and 1623;

(B) promote the programs established under this chapter at the national level;

(C) coordinate research and extension activities funded under such programs;

(D) establish general procedures for awarding and administering funds under this chapter;

(E) consider recommendations for improving such programs;

(F) facilitate cooperation and integration between sustainable agriculture, national water quality, integrated pest management, food safety, and other related programs; and

(G) prepare and submit an annual report concerning its activities to the Secretary.

(e) REGIONAL ADMINISTRATIVE COUNCILS.—

(1) MEMBERSHIP.—The membership of the Regional Administrative Councils shall include representatives of—

(A) the Agricultural Research Service

(B) the Cooperative State Research Service;

(C) the Extension Service;

(D) State cooperative extension services;

(E) State agricultural experiment stations;

(F) the Soil Conservation Service;

(G) State departments engaged in sustainable agriculture programs;

(H) nonprofit organizations with demonstrable expertise;

(I) farmers utilizing systems and practices of sustainable agriculture;

(J) agribusiness;

(K) the State or United States Geological Survey; and

(L) other persons knowledgeable about sustainable agriculture and its impact on the environment and rural communities.

(2) RESPONSIBILITIES.—The Regional Administrative Councils shall—

(A) make recommendations to the Advisory Council concerning research and extension projects that merit funding under sections 1621 and 1623;

(B) promote the programs established under this subtitle at the regional level;

(C) establish goals and criteria for the selection of projects authorized under this subtitle within the applicable region;

(D) appoint a technical committee to evaluate the proposals for projects to be considered under this subtitle by such council;

(E) review and act on the recommendations of the technical committee, and coordinate its activities with the regional host institution; and

(F) prepare and make available an annual report concerning projects funded under sections 1621 and 1623, together with an evaluation of the project activity.

(3) CONFLICT OF INTEREST.—A member of the regional administration council or a technical committee may not participate in the discussion or recommendation of proposed projects if the member has or had a professional or business interest in, including the provision of consultancy services, the organization whose grant application is under review.

SEC. 1623. FEDERAL-STATE MATCHING GRANT PROGRAM.

(a) ESTABLISHMENT.—The Secretary shall establish a Federal-State matching grant program to make grants to States to assist in the creation or enhancement of State sustainable agriculture research, extension, and education programs, in furtherance of this subtitle.

(b) ELIGIBLE PROGRAMS AND ACTIVITIES.—States eligible to receive a grant under this section may conduct a variety of activities designed to carry out the purpose of this subtitle, including—

(1) activities that encourage the incorporation and integration of sustainable agriculture concerns in all State research, extension, and education projects;

(2) educational programs for farmers, educators, and the public;

(3) the development and funding of innovative research, extension, and education programs regarding sustainable agriculture;

(4) the conduct of research and demonstration projects;

(5) the provision of technical assistance to farmers and ranchers;

(6) activities that encourage farmer-to-farmer information exchanges;

(7) the incorporation of sustainable agriculture studies in undergraduate and graduate degree programs; and

(8) such other activities that are appropriate to the agricultural concerns of the State that are consistent with the purpose of this chapter.

(c) SUBMISSION OF PLAN.—

(1) REQUIRED.—States that elect to apply for a grant under this section shall prepare and submit, to the appropriate Regional Administrative Council established under section 1622, a State plan and schedule for approval by such council and the Secretary.

(2) ELEMENTS OF PLAN.—State plans prepared under paragraph (1) shall provide details of the proposed program to be implemented using funds provided under this section for fiscal years 1991 through 1995, or any 5-year period thereafter, and shall identify the sources of matching State funds for the same fiscal year.

(3) PARTICIPATION OF FARMERS.—To be eligible for approval, State plans submitted under this subsection shall demonstrate

that there will be extensive and direct participation of farmers in the development, implementation, and evaluation of the program.

(d) GRANT AWARD.—

(1) LIMITS.—Subject to paragraph (2), the Secretary shall provide grants to eligible States in an amount not to exceed 50 percent of the cost of the establishment or enhancement of a State sustainable agriculture program under a plan approved by the Secretary under subsection (c) for a period not to exceed 5 years.

(2) STATE CONTRIBUTION.—To be eligible to receive a grant under this section, a State shall agree to pay, from State appropriated funds, other State revenue, or from private contributions received by the State, not less than 50 percent of the cost of the establishment or enhancement of the sustainable agriculture program under an approved plan under subsection (c).

SEC. 1624. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $40,000,000 for each fiscal year to carry out this chapter. Of amounts appropriated to carry out this chapter for a fiscal year, not less than $15,000,000, or not less than two thirds of any such appropriation, whichever is greater, shall be used to carry out sections 1621 and 1623.

CHAPTER 2—INTEGRATED MANAGEMENT SYSTEMS

SEC. 1627. INTEGRATED MANAGEMENT SYSTEMS.

(a) ESTABLISHMENT.—The Secretary shall establish a research and education program concerning integrated resource management and integrated crop management in order to enhance research related to farming operations, practices, and systems that optimize crop and livestock production potential and are environmentally sound. The purpose of the program shall be—

(1) to encourage producers to adopt integrated crop and livestock management practices and systems that minimize or abate adverse environmental impacts, reduce soil erosion and loss of water and nutrients, enhance the efficient use of on-farm and off-farm inputs, and maintain or increase profitability and long-term productivity;

(2) to develop knowledge and information on integrated crop and livestock management systems and practices to assist agricultural producers in the adoption of these systems and practices;

(3) to accumulate and analyze information on agricultural production practices researched or developed under programs established in under this subtitle, subtitle G of title XIV, and section 1650 and other appropriate programs of the Department of Agriculture to further the development of integrated crop and livestock management systems;

(4) to facilitate the adoption of whole-farm integrated crop and livestock management systems through demonstration projects on individual farms, including small and limited resource farms, throughout the United States; and

(5) to evaluate and recommend appropriate integrated crop and livestock management policies and programs.

(b) DEVELOPMENT AND ADOPTION OF INTEGRATED CROP MANAGEMENT PRACTICES.—The Secretary shall encourage agricultural producers to adopt and develop individual, site-specific integrated crop management practices. On a priority basis, the Secretary shall develop and disseminate information on integrated crop management systems for agricultural producers in specific localities or crop producing regions where the Secretary determines—

(1) water quality is impaired as a result of local or regional agricultural production practices; or

(2) the adoption of such practices may aid in the recovery of endangered or threatened species.

(c) DEVELOPMENT AND ADOPTION OF INTEGRATED RESOURCE MANAGEMENT PRACTICES.—The Secretary shall, on a priority basis, develop programs to encourage livestock producers to develop and adopt individual, site-specific integrated resource management practices. These programs shall be designed to benefit producers and consumers through—

(1) optimum use of available resources and improved production and financial efficiency for producers;

(2) identifying and prioritizing the research and educational needs of the livestock industry relating to production and financial efficiency, competitiveness, environmental stability, and food safety; and

(3) utilizing an interdisciplinary approach.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for each fiscal year $20,000,000 to carry out this section through the Extension Service.

CHAPTER 3—SUSTAINABLE AGRICULTURE TECHNOLOGY DEVELOPMENT AND TRANSFER PROGRAM

SEC. 1628. TECHNICAL GUIDES AND HANDBOOKS.

(a) DEVELOPMENT.—Not later than two years after the date of the enactment of this Act, the Secretary shall develop and make available handbooks and technical guides, and any other educational materials that are appropriate for describing sustainable agriculture production systems and practices, as researched and developed under this subtitle, subtitle G of title XIV, section 1650, and other appropriate research programs of the Department.

(b) CONSULTATION AND COORDINATION.—The Secretary shall develop the handbooks, technical guides, and educational materials in consultation with the Advisory Council, the Soil Conservation Service, and any other appropriate entities designated by the Secretary. The Secretary shall coordinate activities conducted under this section with those conducted under section 1261 of the Food Security Act of 1985, as added by section 1446.

(c) TOPICS OF HANDBOOKS AND GUIDES.—The handbooks and guides, and other education materials, shall include detailed information on the selection of crops and crop-plant varieties, rotation practices, soil building practices, tillage systems, nutrient management, integrated pest management practices, habitat protection, pest, weed, and disease management, livestock management, soil, water, and energy conservation, and any other practices in accordance with or in furtherance of the purpose of this subtitle.

(d) ORGANIZATION AND CONTENTS.—The handbooks and guides, and other educational materials, shall provide practical instructions and be organized in such a manner as to enable agricultural producers desiring to implement the practices and systems developed under this subtitle, subtitle G of title XIV, section 1650, and other appropriate research programs of the Department to address site-specific, environmental and resource management problems and to sustain farm profitability, including—

(1) enhancing and maintaining the fertility, productivity, and conservation of farmland and ranch soils, ranges, pastures, and wildlife;

(2) maximizing the efficient and effective use of agricultural inputs;

(3) protecting or enhancing the quality of water resources; or

(4) optimizing the use of on-farm and nonrenewable resources.

(e) AVAILABILITY.—The Secretary shall ensure that handbooks and technical guides, and other educational materials are made available to the agricultural community and the public through colleges and universities, the State Cooperative Extension Service, the Soil Conservation Service, other State and Federal agencies, and any other appropriate entities.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

SEC. 1629. NATIONAL TRAINING PROGRAM.

(a) IN GENERAL.—The Secretary shall establish a National Training Program in Sustainable Agriculture to provide education and training for Cooperative Extension Service agents and other professionals involved in the education and transfer of technical information concerning sustainable agriculture in order to develop their understanding, competence, and ability to teach and communicate the concepts of sustainable agriculture to Cooperative Extension Service agents and to farmers and urban residents who need information on sustainable agriculture.

(b) ADMINISTRATION.—The National Training Program shall be organized and administered by the Extension Service, in coordination with other appropriate Federal agencies. The Secretary shall designate an individual from the Cooperative Extension Service in each State to coordinate the National Training Program within that State. The coordinators shall be responsible, in cooperation with appropriate Federal and State agencies, for developing and implementing a statewide training program for appropriate field office personnel.

(c) REQUIRED TRAINING.—

(1) AGRICULTURAL AGENTS.—The Secretary shall insure that all agricultural agents of the Cooperative Extension Service have completed the National Training Program not later than the end of the five-year period beginning on the date of enactment of this Act. Such training may occur at a college or university located within each State as designated by the coordinator designated under this section.

(2) PROOF OF TRAINING.—Beginning three years after the date of enactment of this Act, the Secretary shall ensure that all new

Cooperative Extension Service agents employed by such Service are able to demonstrate, not later than 18 months after the employment of such agents, that such agents have completed the training program established in subsection (a).

(d) Regional Training Centers.—

(1) Designation.—The Secretary shall designate not less than two regional training centers to coordinate and administer educational activities in sustainable agriculture as provided for in this section.

(2) Training program.—Such centers shall offer intensive instructional programs involving classroom and field training work for extension specialists and other individuals who are required to transmit technical information.

(3) Prohibition on construction.—Such centers shall be located at existing facilities, and no funds appropriated to carry out this chapter shall be used for facility construction.

(4) Administration.—Such centers should be administered by entities that have a demonstrated capability relating to sustainable agriculture. The Secretary should consider utilizing existing entities with expertise in sustainable agriculture to assist in the design and implementation of the training program under paragraph (2).

(5) Coordination of resources.—Such centers shall make use of information generated by the Department of Agriculture and the State agricultural experiment stations, and the practical experience of farmers, especially those cooperating in on-farm demonstrations and research projects, in carrying out the functions of such centers.

(e) Competitive Grants.—

(1) In general.—The Secretary shall establish a competitive grants program to award grants to organizations, including land-grant colleges and universities, to carry out sustainable agricultural training for county agents and other individuals that need basic information concerning sustainable agriculture practices.

(2) Short courses.—The purpose of the grants made available under paragraph (1) shall be to establish, in various regions in the United States, training programs that consist of workshops and short courses designed to familiarize participants with the concepts and importance of sustainable agriculture.

(f) Regional Specialists.—To assist county agents and farmers implement production practices developed under this subtitle, subtitle G of title XIV, section 1650, and other appropriate research programs of the Department, regional sustainable agriculture specialists may be designated within each State who shall report to the State coordinator of that State. The specialists shall be responsible for developing and coordinating local dissemination of sustainable agriculture information in a manner that is useful to farmers in the region.

(g) Information Availability.—The Cooperative Extension Service within each State shall transfer information developed under this subtitle, subtitle G of title XIV, section 1650, and other appro-

priate research programs of the Department through a program that shall—

(1) assist in developing farmer-to-farmer information exchange networks to enable farmers making transitions to more sustainable farming systems to share ideas and draw on the experiences of other farmers;

(2) help coordinate and publicize a regular series of sustainable agriculture farm tours and field days within each State;

(3) plan for extension programming, including extensive farmer input and feedback, in the design of new and ongoing research endeavors related to sustainable agriculture;

(4) provide technical assistance to individual farmers in the design and implementation of farm management plans and strategies for making a transition to more sustainable agricultural systems;

(5) consult and work closely with the Soil Conservation Service and the Agricultural Stabilization and Conservation Service in carrying out the information, technical assistance, and related programs;

(6) develop, coordinate, and direct special education and outreach programs in areas highly susceptible to groundwater contamination, linking sustainable agriculture information with water quality improvement information;

(7) develop information sources relating to crop diversification, alternative crops, on-farm food or commodity processing, and on-farm energy generation;

(8) establish a well-water testing program designed to provide those persons dependent upon underground drinking water supplies with an understanding of the need for regular water testing, information on sources of testing, and an understanding of how to interpret test results and provide for the protection of underground water supplies;

(9) provide specific information on water quality practices developed through the research programs in subtitle G of title XIV;

(10) provide specific information on nutrient management practices developed through the research programs in subtitle G of title XIV; and

(11) provide information concerning whole-farm management systems integrating research results under this subtitle, subtitle G of title XIV, section 1650, and other appropriate research programs of the Department.

(h) DEFINITION.—For purposes of this section, the term "appropriate field office personnel" includes employees of the Extension Service, Soil Conservation Service, and other appropriate Department of Agriculture personnel, as determined by the Secretary, whose activities involve the provision of agricultural production and conservation information to agricultural producers.

(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $20,000,000 for each fiscal year to carry out the National Training Program.

Subtitle C—National Genetics Resources Program

SEC. 1632. ESTABLISHMENT, PURPOSE, AND FUNCTIONS OF THE NATIONAL GENETIC RESOURCES PROGRAM.

(a) In General.—The Secretary of Agriculture shall provide for a National Genetic Resources Program.

(b) Purpose.—The program is established for the purpose of maintaining and enhancing a program providing for the collection, preservation, and dissemination of genetic material of importance to American food and agriculture production.

(c) Administration.—The program shall be administered by the Secretary through the Agricultural Research Service.

(d) Functions.—The Secretary, acting through the program, shall—

(1) provide for the collection, classification, preservation, and dissemination of genetic material of importance to the food and agriculture sectors of the United States;

(2) conduct research on the genetic materials collected and on methods for storage and preservation of those materials;

(3) coordinate the activities of the program with similar activities occurring domestically;

(4) make available upon request, without charge and without regard to the country from which such request originates, the genetic material which the program assembles;

(5) expand the types of genetic resources included in the program to develop a comprehensive genetic resources program which includes plants (including silvicultural species), animal, aquatic, insect, microbiological, and other types of genetic resources of importance to food and agriculture, as resources permit; and

(6) engage in such other activities as the Secretary determines appropriate and as the resources of the program permit.

SEC. 1633. APPOINTMENT AND AUTHORITY OF DIRECTOR.

(a) Director.—There shall be at the head of the program an official to be known as the Director of the National Genetic Resources program who shall be appointed by the Secretary. The Director shall perform such duties as are assigned to the Director by this subtitle and such other duties as the Secretary may prescribe.

(b) Administrative Authority.—In carrying out this subtitle, the Secretary, acting through the Director—

(1) shall be responsible for the overall direction of the program and for the establishment and implementation of general policies respecting the management and operation of activities within the program;

(2) may secure for the program consultation services and advice of persons from the United States and abroad;

(3) may accept voluntary and uncompensated services; and

(4) may perform such other administrative functions as the Secretary determines are needed to effectively carry out this subtitle.

(c) Duties.—The Director shall—

(1) advise participants on the program activities;

(2) coordinate, review and facilitate the systematic identification and evaluation of, relevant information generated under the program;

(3) promote the effective transfer of the information described in paragraph (2) to the agriculture and food production community and to entities that require such information; and

(4) monitor the effectiveness of the activities described in paragraph (3).

(d) Biennial Reports.—The Director shall prepare and transmit to the Secretary and to the Congress a biennial report containing—

(1) a description of the activities carried out by and through the program and the policies of the program, and such recommendations respecting such activities and policies as the Director considers to be appropriate;

(2) a description of the necessity for, and progress achieved toward providing, additional programs and activities designed to include the range of genetic resources described in section 1632(d)(5) in the activities of the program; and

(3) an assessment of events and activities occurring internationally as they relate to the activities and policies of the program.

(e) Initial Reports.—Not later than one year after the date of the enactment of this Act, the Director shall transmit to the Secretary and to the Congress a report—

(1) describing the projected needs over a 10-year period in each of the areas of genetic resources described in section 1632(d)(5), including the identification of existing components of a comprehensive program, policies and activities needed to coordinate those components, and additional elements not in existence which are required for the development of a comprehensive genetic resources program as described in such section;

(2) assessing the international efforts and activities related to the program, and their effect upon and coordination with the program; and

(3) evaluating the potential effect of various national laws, including national quarantine requirements, as well as treaties, agreements, and the activities of international organizations on the development of a comprehensive international system for the collection and maintenance of genetic resources of importance to agriculture.

SEC. 1634. ADVISORY COUNCIL.

(a) Establishment and Membership.—The Secretary shall establish an advisory council for the program for the purpose of advising, assisting, consulting with, and making recommendations to, the Secretary and Director concerning matters related to the activities, policies and operations of the program. The advisory council shall consist of ex officio members and not more than nine members appointed by the Secretary.

(b) Ex Officio Members.—The ex officio members of the advisory council shall consist of the following persons (or their designees):

(1) The Director.

(2) The Assistant Secretary of Agriculture for Science and Education.

(3) The Director of the National Agricultural Library.

(4) The Director of the National Institutes of Health.

(5) The Director of the National Science Foundation.

(6) The Secretary of Energy.

(7) The Director of the Office of Science and Technology Policy.

(8) Such additional officers and employees of the United States as the Secretary determines are necessary for the advisory council to effectively carry out its functions.

(c) APPOINTMENT OF OTHER MEMBERS.—The members of the advisory council who are not ex officio members shall be appointed by the Secretary as follows:

(1) Two-thirds of the members shall be appointed from among the leading representatives of the scientific disciplines relevant to the activities of the program, including agricultural sciences, environmental sciences, natural resource sciences, health sciences, and nutritional sciences.

(2) One-third of the members shall be appointed from the general public and shall include leaders in fields of public policy, trade, international development, law, or management.

(d) COMPENSATION.—Members of the advisory council shall serve without compensation, if not otherwise officers or employees of the United States, except that they shall, while away from their homes or regular places of business in the performance of services for the advisory council, be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under sections 5701 through 5707 of title 5, United States Code.

(e) TERM OF OFFICE OF APPOINTEES; VACANCIES.—

(1) TERM.—The term of office of a member appointed under subsection (c) is four years, except that any member appointed to fill a vacancy occurring before the expiration of the term for which the predecessor of such member was appointed shall be appointed only for the remainder of such term.

(2) INITIAL APPOINTMENT.—The Secretary shall make appointments to the advisory council so as to ensure that the terms of the members appointed under subsection (c) do not all expire in the same year. A member may serve after the expiration of the member's term until a successor takes office.

(3) REAPPOINTMENT.—A member who is appointed for a term of four years may not be reappointed to the advisory council before two years after the date of expiration of such term of office.

(4) VACANCIES.—If a vacancy occurs in the advisory council among the members appointed under subsection (c), the Secretary shall make an appointment to fill such vacancy within 90 days after the date such vacancy occurs.

(f) CHAIR.—The Secretary shall select as the chair of the advisory council one of the members appointed under subsection (c). The term of office of the chair shall be two years.

(g) MEETINGS.—The advisory council shall meet at the call of the chair or on the request of the Director, but at least two times each

fiscal year. The location of the meetings of the advisory council shall be subject to the approval of the Director.

(h) Staff.—The Director shall make available to the advisory council such staff, information, and other assistance as it may require to carry out its functions.

(i) Orientation and Training.—The Director shall provide such orientation and training for new members of the advisory council as may be appropriate for their effective participation in the functions of the advisory council.

(j) Comments and Recommendations.—The advisory council may prepare, for inclusion in a report submitted under section 1633—

(1) comments respecting the activities of the advisory council during the period covered by the report;

(2) comments on the progress of the program in meeting its objectives; and

(3) recommendations respecting the future directions, program, and policy emphasis of the program.

(k) Reports.—The advisory council may prepare such reports as the advisory council determines to be appropriate.

(l) Application of Advisory Committee Act.—Section 14(a) of the Federal Advisory Committee Act (5 U.S.C. App.) relating to the termination of an advisory committee shall not apply to the advisory committee established under this section.

SEC. 1635. DEFINITIONS AND AUTHORIZATION OF APPROPRIATIONS.

(a) Definitions.—For purposes of this subtitle:

(1) The term "program" means the National Genetic Resources Program.

(2) The term "Secretary" means the Secretary of Agriculture.

(3) The term "Director" means the Director of the National Genetic Resources Program.

(b) Authorization of Appropriations.—There are authorized to be appropriated such funds as may be necessary to carry out this subtitle for each of the fiscal years 1991 through 1995.

Subtitle D—National Agricultural Weather Information System

SEC. 1637. SHORT TITLE AND PURPOSES.

(a) Short Title.—This subtitle may be cited as the "National Agricultural Weather Information System Act of 1990".

(b) Purposes.—The purposes of this subtitle are—

(1) to provide a nationally coordinated agricultural weather information system, based on the participation of universities, State programs, Federal agencies, and the private weather consulting sector, and aimed at meeting the weather and climate information needs of agricultural producers;

(2) to facilitate the collection, organization, and dissemination of advisory weather and climate information relevant to agricultural producers, through the participation of the private sector and otherwise;

(3) to provide for research and education on agricultural weather and climate information, aimed at improving the quality and quantity of weather and climate information available to agricultural producers, including research on short-term forecasts of thunderstorms and on extended weather forecasting techniques and models;

(4) to encourage, where feasible, greater private sector participation in providing agricultural weather and climate information, to encourage private sector participation in educating and training farmers and others in the proper utilization of agricultural weather and climate information, and to strengthen their ability to provide site-specific weather forecasting for farmers and the agricultural sector in general; and

(5) to ensure that the weather and climate data bases needed by the agricultural sector are of the highest scientific accuracy and thoroughly documented, and that such data bases are easily accessible for remote computer access.

SEC. 1638. AGRICULTURAL WEATHER OFFICE.

(a) ESTABLISHMENT OF THE OFFICE AND ADMINISTRATION OF THE SYSTEM.—

(1) ESTABLISHMENT REQUIRED.—The Secretary of Agriculture shall establish in the Department of Agriculture an Agricultural Weather Office to plan and administer the National Agricultural Weather Information System. The system shall be comprised of the office established under this section and the activities of the State agricultural weather information systems described in section 1640.

(2) DIRECTOR.—The Secretary shall appoint a Director to manage the activities of the Agricultural Weather Office and to advise the Secretary on scientific and programmatic coordination for climate, weather, and remote sensing.

(b) AUTHORITY.—The Secretary, acting through the Office, may undertake the following activities to carry out this subtitle:

(1) Enter into cooperative projects with the National Weather Service to—

(A) support operational weather forecasting and observation useful in agriculture;

(B) sponsor joint workshops to train agriculturalists about the optimum utilization of agricultural weather and climate data;

(C) jointly develop improved computer models and computing capacity; and

(D) enhance the quality and availability of weather and climate information needed by agriculturalists.

(2) Obtain standardized weather observation data collected in near real time through State agricultural weather information systems.

(3) Make, through the Cooperative State Research Service, competitive grants under subsection (c) for research in atmospheric sciences and climatology.

(4) Make grants to eligible States under section 1640 to plan and administer State agricultural weather information systems.

(5) Coordinate the activities of the Office with the weather and climate research activities of the Cooperative State Research Service, the National Academy of Sciences, the National Sciences Foundation Atmospheric Services Program, and the National Climate Program.

(6) Encourage private sector participation in the National Agricultural Weather Information System through mutually beneficial cooperation with the private sector, particularly in generating weather and climatic data useful for site-specific agricultural weather forecasting.

(c) COMPETITIVE GRANTS PROGRAM.—

(1) GRANTS AUTHORIZED.—With funds allocated to carry out this subsection, the Secretary of Agriculture may make grants to State agricultural experiment stations, all colleges and universities, other research institutions and organizations, Federal agencies, private organizations and corporations, and individuals to carry out research in all aspects of atmospheric sciences and climatology that can be shown to be important in both a basic and developmental way to understanding, forecasting, and delivering agricultural weather information.

(2) COMPETITIVE BASIS.—Grants made under this subsection shall be made on a competitive basis.

(d) PRIORITY.—In selecting among applications for grants under subsection (c), the Secretary shall give priority to proposals which emphasize—

(1) techniques and processes that relate to weather-induced agricultural losses, and to improving the advisory information on weather extremes such as drought, floods, freezes, and storms well in advance of their actual occurrence;

(2) the improvement of site-specific weather data collection and forecasting; or

(3) the impact of weather on economic and environmental costs in agricultural production.

SEC. 1639. NATIONAL ADVISORY BOARD ON AGRICULTURAL WEATHER.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish the Advisory Board on Agricultural Weather (hereinafter referred to in this section as the "Board") to advise the Director of the Agricultural Weather Office with respect to carrying out this Act.

(b) COMPOSITION.—The Board shall be composed of nine members, appointed by the Secretary in consultation with the Director of the National Weather Service. Two of the members shall be from each of the four regions of the cooperative extension service. Of the two members from each region, one shall be an agricultural producer and one shall be an agricultural or atmospheric scientist. At least two members of the Board shall be appointed from among individuals who are engaged in providing private meteorology services or consulting with a private meteorology firm.

(c) CHAIRPERSON.—The Board shall elect a chairperson from among its members.

(d) TERM.—Each Board member shall be appointed for a three-year term, except that to ensure that members of the Board serve staggered terms, the Secretary shall appoint three of the original

members of the Board to appointments for one year, and three of the original members to appointments for two years.

(e) MEETINGS.—The Board shall meet not less than twice annually.

(f) COMPENSATION.—Members of the Board shall serve without compensation, but while away from their homes or regular places of business in the performance of services for the Board, members of the Board shall be allowed travel expenses, including a per diem allowance in lieu of subsistence, in the same manner as individuals employed in Government service are allowed travel expenses under section 5703 of title 5, United States Code.

(g) FEDERAL ADVISORY COMMITTEE ACT.—Section 14(a)(2) of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply with respect to the Board.

SEC. 1640. STATE AGRICULTURAL WEATHER INFORMATION SYSTEMS.

(a) ADVISORY PROGRAM GRANTS.—

(1) GRANTS REQUIRED.—With funds allocated to carry out this section, the Secretary of Agriculture shall make grants to not fewer than 10 eligible States to plan and administer, in cooperation with persons described in paragraph (2), advisory programs for State agricultural weather information systems.

(2) PERSONS DESCRIBED.—The persons referred to in paragraph (1) are the Director of the Agricultural Weather Office, the Administrator of the Extension Service, the Administrator of the Cooperative State Research Service, and other persons as appropriate (such as the directors of the appropriate State agricultural experiment stations and State extension programs).

(b) CONSULTATION.—For purposes of selecting among applications submitted by States for grants under this section, the Secretary shall take into consideration the recommendation of the Advisory Board on Agricultural Weather and consult with the Director.

(c) ELIGIBILITY REQUIREMENTS.—To be eligible to receive a grant under this section, the chief executive officer of a State shall submit to the Secretary an application that contains—

(1) assurances that the State will expend such grant to plan and administer a State agricultural weather system that will—

(A) collect observational weather data throughout the State and provide such data to the National Weather Service and the Agricultural Weather Office;

(B) develop methods for packaging information received from the national system for use by agricultural producers (with State Cooperative Extension Services and the private sector to serve as the primary conduit of agricultural weather forecasts and climatic information to producers); and

(C) develop programs to educate agricultural producers on how to best use weather and climate information to improve management decisions; and

(2) such other assurances and information as the Secretary may require by rule.

SEC. 1641. FUNDING.

(a) ALLOCATION OF FUNDS.—

(1) Cooperative work.—Not less than 15 percent and not more than 25 percent of the funds appropriated for a fiscal year to carry out this subtitle shall be used for cooperative work with the National Weather Service entered into under section 1638(b)(1).

(2) Competitive grants program.—Not less than 15 percent and not more than 25 percent of such funds shall be used by the Cooperative State Research Service for a competitive grants program under section 1638(c).

(3) Weather information systems.—Not less than 25 percent and not more than 35 percent of such funds shall be divided equally between the participating States selected for that fiscal year under section 1640.

(4) Other purposes.—The remaining funds shall be allocated for use by the Agricultural Weather Office and the Extension Service in carrying out generally the provisions of this subtitle.

(b) Limitations on Use of Funds.—Funds provided under the authority of this subtitle shall not be used for the construction of facilities. Each State or agency receiving funds shall not use more than 30 percent of such funds for equipment purchases. Any use of the funds in facilitating the distribution of agricultural and climate information to producers shall be done with consideration for the role that the private meteorological sector can play in such information delivery.

(c) Authorization of Appropriations.—There are authorized to be appropriated $5,000,000 to carry out this subtitle for each of the fiscal years 1991 through 1995.

Subtitle E—Research Regarding the Production, Preparation, Processing, Handling, and Storage of Agricultural Products

SEC. 1644. RESEARCH AND GRANT PROGRAM.

(a) Research Program.—The Secretary of Agriculture shall establish a research program to—

(1) establish a statistical framework to measure microbiological and chemical agents in or affecting agricultural products that seriously undermine product wholesomeness and fitness;

(2) identify any microbiological or chemical agent under the statistical framework established under paragraph (1); and

(3) identify the means to avoid microbiological and chemical agents in or affecting agricultural products or to control or reduce such agents, including—

(A) developing techniques for the rapid detection and identification of such microbiological and chemical agents;

(B) analyzing the production, preparation, processing, handling, storage, and distribution of agricultural products, to determine those points at which intervention could occur to control microbiological or chemical agents in or affecting an agricultural product; and

(C) research to develop or enhance existing techniques to control microbiological or chemical agents in or affecting

an agricultural product, including food irradiation research.

(b) Competitive Grant Program.—The Secretary of Agriculture may make competitive grants, after consultation with the committee established under section 1645, for periods not to exceed five years, to persons and governmental entities for research to be carried out for any of the activities specified in subsection (a). The Secretary shall require the recipient of any such grant to provide matching funds for such research unless the Secretary determines that the research should be performed notwithstanding the lack of matching funds.

(c) Prohibited Uses.—No grant may be made under subsection (b) (or expended by the recipient of such a grant) for the planning, repair, rehabilitation, acquisition, or construction of a building or a facility.

(d) Eligibility Requirements.—To be eligible to receive a grant under subsection (b), a person or governmental entity shall submit to the Secretary an application that contains—

(1) a proposal to carry out research for one or more of the activities specified in subsection (a);

(2) an assurance that such person or entity will submit to the Secretary a detailed report of the research conducted with such grant; and

(3) such other terms and conditions as the Secretary may require by rule.

(e) Effect on Other Programs.—Nothing in this section shall be construed or interpreted—

(1) to limit or otherwise affect the research programs of any agency or department of the Federal Government currently conducted or to be conducted under any other statutory authority; or

(2) to implement any changes to current production, preparation, processing, handling and storage methods and procedures for agricultural products.

(f) Agricultural Product Defined.—For purposes of this section, the term "agricultural product" means the product of an agricultural commodity produced in the United States from a plant or animal or silvicultural activities, or an aquacultural species, including those raised and propagated in a controlled environment.

SEC. 1645. ADVISORY COMMITTEE AND GRANT PROCESS.

(a) Advisory Committee.—The Secretary of Agriculture shall establish a committee to set research priorities for, and evaluate, proposed research projects for which grants under section 1644(b) are requested.

(b) Membership.—The committee shall be comprised of 13 members as follows:

(1) The Secretary or the designee of the Secretary ex officio.

(2) Two members appointed by the Secretary from among scientists who are employed by colleges, universities, or State agricultural experiment stations and who are specially qualified to serve on the committee by virtue of their demonstrated, generally recognized expertise in food science, microbiology, veterinary

medicine, pathology, or any other appropriate scientific discipline.

(3) Two members appointed by the Secretary from among scientists or public health professionals who are employed by private research organizations or other entities involved in food research and who are specially qualified to serve on the committee by virtue of their demonstrated, generally recognized expertise in food science, microbiology, veterinary medicine, pathology, or any other appropriate scientific discipline.

(4) Two members appointed by the Secretary from among individuals who are employees of the Federal Government and who are specially qualified to serve on the committee by virtue of their demonstrated, generally recognized expertise in food science, microbiology, veterinary medicine, pathology, or any other appropriate scientific discipline.

(5) Three members appointed by the Chairman of the Committee on Agriculture of the House of Representatives (in consultation with the ranking minority member of that Committee) from persons who are specially qualified to serve on the committee by virtue of their demonstrated, generally recognized expertise in food science, microbiology, veterinary medicine, pathology, or any other appropriate scientific discipline.

(6) Three members appointed by the Chairman of the Committee on Agriculture, Nutrition, and Forestry of the Senate (in consultation with the ranking minority member of that Committee) from persons who are specially qualified to serve on the committee by virtue of their demonstrated, generally recognized expertise in food science, microbiology, veterinary medicine, pathology, or any other appropriate scientific discipline.

(c) PUBLIC NOTICE.—

(1) PROPOSED RESEARCH PRIORITIES.—On receipt of the committee's recommendations with respect to research priorities for grants awarded under section 1644(b), the Secretary shall publish in the Federal Register—

(A) the proposed research priorities, and

(B) a notice requesting persons and governmental entities to submit written comments on the priorities to the Secretary not later than sixty days after publication of such notice.

(2) FINAL RESEARCH PRIORITIES.—After review of comments received under paragraph (1), the Secretary shall establish final research priorities by notice in the Federal Register.

(d) REVIEW OF RESEARCH PROPOSALS.—

(1) ROLE OF COMMITTEE.—On receipt of an application submitted under section 1644(b) for research, the Secretary shall refer the research proposal contained in such application to the committee established by this section for its review.

(2) PEER REVIEW.—To assist the committee in its deliberations, the committee shall establish peer review panels to review the scientific and technical merits of research proposals. The committee shall seek the widest participation of qualified scientists and public health professionals in such panels. The peer review panels shall report their findings and recommendations to the committee.

(3) CONSULTATION AND COORDINATION.—Both the committee and the peer review panels shall consult and coordinate with other appropriate Federal advisory committees.

(4) RECOMMENDATIONS.—After due consideration of the review panel comments, the committee shall recommend to the Secretary which grants should be made under this subtitle.

(e) BASIC AND APPLIED RESEARCH.—In reviewing research proposals received under subsection (d), the committee and the peer review panels shall identify both—

(1) proposals for basic research, and

(2) proposals for applied research, taking into consideration the practical application of the results of basic research and applied research.

(f) REVIEW OF COMPLETED PROJECTS.—When a research project is completed, the grant recipient shall forward the results of the project to the committee for its review. The committee shall submit the results to the Secretary along with any recommendations or suggestions of the committee.

(g) APPLICATION OF THE FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply with respect to the committee or peer review panels established under this section.

SEC. 1646. REPORTS TO CONGRESS.

(a) REPORT ON IMPLEMENTATION.—Not later than one year after the date of the enactment of this Act, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and to the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the implementation of this subtitle.

(b) REPORTS ON RESEARCH.—For each fiscal year in which funding is provided to carry out this subtitle, the Secretary shall report on the findings of the research for which grants were made during such fiscal year under this subtitle and include in such report any recommendations for implementation of the findings to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

SEC. 1647. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION.—There are authorized to be appropriated for each of the fiscal years 1991 through 1995 such sums as may be necessary to carry out this subtitle to be available until expended without fiscal year limitation.

(b) ADMINISTRATIVE EXPENSES.—Not more than four percent of the amount appropriated for a fiscal year under subsection (a) may be expended by the Secretary of Agriculture for administrative costs incurred by the Secretary to carry out this subtitle.

Subtitle F—Plant and Animal Pest and Disease Control Program

SEC. 1650. PLANT AND ANIMAL PEST AND DISEASE CONTROL PROGRAM.

(a) INTEGRATED PEST MANAGEMENT RESEARCH.—

(1) PROGRAM REQUIRED.—The Secretary shall undertake or assist in the conduct of research regarding integrated pest man-

agement, including research by grant or contract with Federal or State agencies or private industries, institutions, or organizations, as may be necessary to carry out this subtitle. Such research shall include integrated pest management research to benefit floriculture.

(2) IMPLEMENTATION.—Implementation of integrated pest management strategies shall be conducted through the Extension Service.

(b) EFFECT ON OTHER LAWS.—Nothing in this Act shall be construed as limiting or repealing the authority of the Administrator of the Environmental Protection Agency to conduct research regarding integrated pest management under section 20(a) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136r(a)).

(c) INTEGRATED PEST MANAGEMENT DEFINED.—For purposes of this section, the term "integrated pest management" means a pest or disease population management system that uses all suitable techniques, such as biological and cultural controls as well as pesticides, in a total production system to anticipate and prevent pests and diseases from reaching economically damaging levels.

SEC. 1651. PEST AND DISEASE CONTROL DATA BASE AND PESTICIDE RESISTANCE MONITORING.

(a) DATA BASE REQUIRED.—The Secretary of Agriculture shall establish and maintain a data base on available materials and methods of pest and disease control available to agricultural producers. The data base required by this subsection shall include a listing (by crop, animal, and pest or disease) of information—

(1) on currently available materials or methods of chemical, biological, cultural, or other means of controlling plant and animal pests and diseases; and

(2) on the extent of pest or disease resistance developed under the monitoring required by subsection (d).

(b) PRIORITIES FOR RESEARCH AND EXTENSION ACTIVITIES.—When the information in the data base established under subsection (a) indicates a shortage of available pest or disease control materials or methods to protect a particular crop or animal, the Secretary of Agriculture shall set priorities designed to overcome this shortage in its pest and disease control research and extension programs conducted under this subtitle.

(c) DISSEMINATION OF INFORMATION IN THE DATA BASE.—The Secretary of Agriculture shall—

(1) make the information contained in the data base established under subsection (a) available through the National Agricultural Library; and

(2) provide such information on an annual basis to the Administrator of the Environmental Protection Agency in support of the activities of that Agency under the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.).

(d) PESTICIDE RESISTANCE MONITORING.—The Secretary of Agriculture shall establish a national pesticide resistance monitoring program in accordance with the report developed by the Secretary under section 1437 of the Food Security Act of 1985 (Public Law 99-198; 99 Stat. 1558).

(e) Pesticide Defined.—For purposes of this section and section 1652, the term "pesticide" shall have the same meaning as given that term in section 2(u) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136(u)).

SEC. 1652. RESEARCH ON EXOTIC PESTS.

(a) Purpose.—The purpose of this section is to expand the research capacity of the Department of Agriculture and State cooperative institutions in the control and eradication of exotic pests.

(b) Research Program.—The Secretary of Agriculture shall expand ongoing research and grant programs designed to control infestations of exotic pests. Expanded research and grant programs shall include—

(1) improvement of existing methods of pest control, including sterile insect release, and development of safer pesticides, including pheremones; and

(2) expansion of research capacity to develop new methods of pest control, including containment of pests for research purposes.

SEC. 1653. STUDY OF THE BIOLOGY AND BEHAVIOR OF CHINCH BUGS, INCLUDING FACTORS LEADING TO CROP LOSS AND DEVELOPMENT OF IMPROVED MANAGEMENT PRACTICES.

The Secretary of Agriculture shall establish a research and education program to study the biology and behavior of chinch bugs. The purpose of this study shall be—

(1) to characterize the relationship between environmental and climatic factors and chinch bug outbreaks in an attempt to predict when these outbreaks occur;

(2) to determine chinch bug dispersal habits, overwintering habitat preferences, and overwintering survival in native and introduced grasses;

(3) to describe the population dynamics of chinch bugs in small grain and noncrop grass hosts in the spring and assess yield losses in small grain crop hosts; and

(4) to investigate various aspects of chinch bug behavior (including host habitat preferences, oviposition, and pheromones) that may result in the development of novel management strategies.

SEC. 1654. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out this subtitle.

Subtitle G—Alternative Agricultural Research and Commercialization

SEC. 1657. SHORT TITLE, PURPOSES, AND DEFINITIONS.

(a) Short Title.—This subtitle may be cited as the "Alternative Agricultural Research and Commercialization Act of 1990".

(b) Purpose.—Through the encouragement of and the provision of assistance to agricultural research, development, and commercialization, it is the purpose of this subtitle—

(1) to authorize research in modification of agricultural commodities, and associated research, in order to develop and

produce marketable products other than food, feed, or traditional forest or fiber products;

(2) to commercialize new nonfood, nonfeed uses for traditional and new agricultural commodities in order to create jobs, enhance the economic development of the rural economy, and diversify markets for raw agricultural and forestry products;

(3) to encourage cooperative development and marketing efforts among manufacturers, financiers, universities, and private and government laboratories in order to assist the commercialization of new nonfood, nonfeed uses for agricultural and forestry products;

(4) to direct, to the maximum extent possible, research and commercialization efforts toward the production of new nonfood, nonfeed products from agricultural commodities that can be raised by family-sized agricultural producers; and

(5) to foster economic development in rural areas of the United States through the introduction of new nonfood, nonfeed products obtained from agricultural commodities.

(c) DEFINITIONS.—For purposes of this subtitle:

(1) The term "agricultural commodity" means a plant or animal species (including a species propagated or raised in a controlled environment or a tree species) and the products derived from that species.

(2) The term "alternative agricultural product" means a new use, application, or material that—

(A) is derived from an agricultural commodity; and

(B) is not in widespread commercial use and is not expected to significantly displace a use, application, or material derived from an agricultural commodity that already is in widespread commercial use.

(3) The term "Board" means the Alternative Agricultural Research and Commercialization Board.

(4) The term "Center" means the Alternative Agricultural Research and Commercialization Center.

(5) The term "commercialization" or "commercialize" includes—

(A) activities associated with the development of alternative agricultural products or industrial plants;

(B) the application of technology and techniques to the development of industrial products and alternative agricultural products; and

(C) the market development of new nonfood, nonfeed uses of new and traditional agricultural commodities and processes that will lead to the creation of goods and services that may be marketed for profit.

(6) The term "Fund" means the Alternative Agricultural Research and Commercialization Revolving Fund.

(7) The term "host institution" means an existing entity that is located in the region that is—

(A) a university or other institution of higher education;

(B) a Department of Agriculture laboratory;

(C) a State agricultural experiment station;

(D) a State cooperative extension service facility; or

(E) another organization that is involved in the development or commercialization of new nonfood, nonfeed uses for agricultural commodities, or is involved in rural economic development.

(8) The term "new nonfood, nonfeed product development" means targeted research, including fundamental and applied research, concerning—

(A) the production and processing of agricultural commodities for the purposes of developing new nonfood, nonfeed products;

(B) the uses of new nonfood, nonfeed products; and

(C) steps necessary to make a nonfood, nonfeed product available for the marketplace.

(9) The term "new nonfood, nonfeed product" means an item that is primarily not a food, feed, or traditional forest or fiber product, including an item that exists but is not commercially available from an agricultural commodity.

(10) The term "nonprofit organization" means an organization that is—

(A) described in section 501(c) of the Internal Revenue Code of 1986; and

(B) exempt from taxation under section 501(a) of such Code.

(11) The term "Secretary" means the Secretary of Agriculture.

(12) The term "traditional forest or fiber product" means a forest or fiber product that is derived from forest or agricultural materials and does not have substantial new properties.

SEC. 1658. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION CENTER.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish an Alternative Agricultural Research and Commercialization Center to carry out the purpose of this subtitle. The Center shall be operated as an independent entity within the Department of Agriculture under the general supervision and policy control of the Secretary.

(b) FUNCTIONS.—The Center shall have the authority to—

(1) make grants to, and enter into cooperative agreements and contracts with, eligible applicants for research, development, and demonstration projects in accordance with section 1660;

(2) make loans and interest subsidy payments and invest venture capital in accordance with section 1661;

(3) collect and disseminate information about State, regional, and local commercialization projects;

(4) search for new nonfood, nonfeed products that may be produced from agricultural commodities and for processes to produce such products;

(5) administer, maintain, and dispense funds from the Alternative Agricultural Research and Commercialization Revolving Fund to facilitate the conduct of activities under this subtitle; and

(6) engage in other activities incident to carrying out its functions.

(c) DIRECTOR.—The Center shall be headed by a Director, who shall be appointed by the Board and approved by the Secretary of Agriculture. The Director shall receive basic pay at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code. The Director shall be appointed for a term of five years, subject to removal by the Board before the end of that term.

(d) RESPONSIBILITIES OF THE DIRECTOR.—Subject to the general supervision of the Board, the Director shall be responsible for the overall management of the Center and the implementation of general policies respecting the management and operation of programs and activities of the Center. In carrying out such responsibilities on behalf of the Center, the Director shall—

(1) provide for appropriate peer review of—

(A) applications for grants, contracts, and cooperative agreements submitted under section 1660 and applications for financial assistance submitted under section 1661;

(B) the conduct of research for which assistance is provided by the Center; and

(C) research findings or reports resulting from grants, contracts, and cooperative agreements administered by the Center as the Board determines necessary;

(2) require, where appropriate, licensing and patent agreements, copyright fees, royalties, or other fee arrangements on the sales of products, new uses, applications technologies, or processes developed through assistance provided through a grant made, contract or cooperative agreement entered into, or other assistance provided, under this subtitle; and

(3) take appropriate action to ensure that all channels for the dissemination and exchange of agricultural products and processes research are maintained between the Center and other agricultural, scientific, and business entities; and

(e) STAFF.—Upon the request of the Director, the Secretary may detail, on a reimbursable basis, any of the personnel of the Department of Agriculture to assist the Director in carrying out the duties of the Director.

(f) EXPERTS AND CONSULTANTS.—The Director may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

SEC. 1659. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION BOARD.

(a) ESTABLISHMENT OF BOARD.—The Secretary shall establish the Alternative Agricultural Research and Commercialization Board.

(b) MEMBERS.—The Board shall consist of nine members appointed by the Secretary as follows:

(1) One member who shall be an employee of the Department of Agriculture.

(2) Four members, of whom—

(A) at least one shall be a representative of the leading scientific disciplines relevant to the activities of the Center;

(B) at least one shall be a producer or processor of agricultural commodities; and

(C) at least one shall be a person who is privately engaged in the commercialization of new nonfood, nonfeed products from agricultural commodities.

(3) Two members who—

(A) have expertise in areas of applied research relating to the development or commercialization of new nonfood, nonfeed products; and

(B) shall be appointed from a group of at least four persons nominated by the Director of the National Science Foundation if such nominations are made within 60 days after the date a vacancy occurs.

(4) Two members who—

(A) have expertise in financial and managerial matters; and

(B) shall be appointed from a group of at least four persons nominated by the Secretary of Commerce if such nominations are made within 60 days after the date a vacancy occurs.

(c) RESPONSIBILITIES.—The Board shall—

(1) be responsible for the general supervision and policy control of the Center and Regional Centers;

(2) determine (in consultation with the advisory council appointed under section 1661 and those Regional Centers established under section 1663) high priority commercialization areas to receive assistance under that section;

(3) review any grant, contract, or cooperative agreement to be made by the Center under section 1660 and any financial assistance to be provided under section 1661;

(4) make the final decision, by majority vote, on whether and how to provide assistance to an applicant;

(5) establish program policy, objectives, research and development, and commercialization priorities to implement this subtitle, through a process of public hearings to be initiated as soon as practicable after the establishment of the Board; and

(6) using the results of such hearings and other information and data collected under paragraph (5), develop and establish a budget plan and a long-term operating plan to implement this subtitle.

(d) MEETINGS.—The Board shall meet at the call of the chairperson or at the request of the Director, but at least three times each fiscal year. The location of the meetings of the Board shall be subject to the approval of the Director. A quorum of the Board shall consist of a majority of the members of the Board. The decisions of the Board shall be made by majority vote.

(e) TERM; VACANCIES.—The term of office of a member of the Board shall be four years, except that the members initially appointed shall be appointed to serve staggered terms. A member appointed to fill a vacancy for an unexpired term may be appointed only for the remainder of such term. A vacancy on the Board shall be filled in the same manner as the original appointment.

(f) CHAIRPERSON.—The members of the Board shall select a chairperson from among the members. The term of office of the chairperson shall be two years. The member appointed under subsection (b)(1) may not serve as chairperson.

(g) Committees.—The Board may establish one or more temporary committees with agricultural, scientific, technical, or other expertise, whose duties shall be to provide information, analysis, and recommendations, at the request and direction of the Board, on scientific, technological, policy, and other matters, as determined necessary by the Board.

(h) Compensation.—Members of the Board who are officers or employees of the United States shall not receive any additional compensation by reason of service on the Board. Other members of the Board shall receive, for each day (including travel time) they are engaged in the performance of the functions of the Board, compensation at a rate not to exceed the daily equivalent of the annual rate in effect for grade GS–18 of the General Schedule. All members of the Board shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties.

(i) Restrictions.—

(1) Conflict of interest.—Except as provided in paragraph (3), no member of the Board shall vote on any matter respecting any application, contract, claim, or other particular matter pending before the Center, in which, to the knowledge of the member, such member, spouse or child of such member, partner or organization in which such member is serving as officer, director, trustee, partner, or employee, or any person or organization with whom such member is negotiating or has any arrangement concerning prospective employment, has a financial interest.

(2) Violations.—Action by a member of the Board that is contrary to the prohibition contained in paragraph (1) shall be cause for removal of such member, but shall not impair or otherwise affect the validity of any otherwise lawful action by the Center in which the member or officer participated.

(3) Exceptions.—The prohibitions contained in paragraph (1) shall not apply if a member of the Board advises the Board of the nature of the particular matter in which such member proposes to participate in, and if such member makes a full disclosure of such financial interest, prior to any participation, and the Board determines, by majority vote, that the financial interest is too remote or too inconsequential to affect the integrity of such member's services to the Center in that matter. The member involved shall not participate in such determination.

(j) Authority of the Secretary.—Any final decision made under subsection (c) may be vetoed by the Secretary, and the Secretary shall inform the Board of the reasons for such veto.

SEC. 1660. RESEARCH AND DEVELOPMENT GRANTS, CONTRACTS, AND AGREEMENTS.

(a) Eligibility.—All public and private educational institutions, other public and private research institutions and organizations, Federal agencies, and individuals shall be eligible to receive a grant from, or enter into a contract or cooperative agreement with, the Center for a research, development, or demonstration project, as provided in this section.

(b) Competitive Basis for Awards.—Grants made, and contracts and cooperative agreements entered into, under this section shall be

selected on a competitive basis on the recommendation of a peer review system to be established by the Center. Such system shall contain peer review expertise in commercial production, product development, processing, and marketing of agricultural commodities as well as in scientific research.

(c) Selection Criteria.—The Board may select a research, development, or demonstration project to receive a grant, contract, or cooperative agreement under this section based on the likelihood that the project will result in creating or improving economically viable commercial nonfood, nonfeed products, applications, processes, or technologies that involve the use of raw or processed agricultural commodities. The criteria to be considered may include the following:

(1) the prospect of developing technologies that could make it possible to use or modify existing agricultural commodities to provide an economically viable quantity of new nonfood, nonfeed products;

(2) the potential market size of the new nonfood, nonfeed product, the likely time period needed to bring the product into the stream of commerce for general use, and the likely availability of the agricultural commodity used to produce the product;

(3) the potential for job creation in an economically distressed rural area;

(4) the anticipated State or local participation;

(5) the anticipated financial participation of private entities;

(6) the likely impact on reducing Federal crop subsidies and other Federal agricultural assistance program costs;

(7) the unavailability of adequate funding from other sources;

(8) the likely positive impact on resource conservation and the environment; and

(9) the likely positive effect of helping family-sized farmers and rural communities near the affected agricultural and forested areas.

(d) Set-Aside Of Funds for Certain Projects.—

(1) In general.—Not less than two-thirds of the funds obligated each fiscal year for grants, contracts, and cooperative agreements under this section shall be awarded only for research, development, and demonstration projects for which the applicant—

(A) has committed substantial funding and support from its own resources; and

(B) has entered into a cooperative agreement or other contractual arrangement with a commercial company domiciled in the United States that commits such company to—

(i) provide funds for at least 20 percent of the total cost of such project; and

(ii) engage in commercial production and sale of the marketable products, processes, uses, applications, or technologies developed through the project, under appropriate licensing, royalty, or other agreements.

(2) Animal sources.—Not more than 25 percent of the funds obligated each fiscal year for grants, contracts, and cooperative agreements under this section shall be awarded only for projects

concerning new nonfood, nonfeed products derived from animal sources.

(e) LIMITATION ON FUNDS PROVIDED.*—Funds committed by the Center for any project under a grant, contract, or cooperative agreement under this section shall in no case exceed two-thirds of the total cost of the project.*

(f) PREFERENCE.*—In selecting projects to receive funds, the Center may give preference to those projects for which the ratio of Center funds to non-Center funds would be lowest.*

SEC. 1661. COMMERCIALIZATION ASSISTANCE.

(a) ASSISTANCE AUTHORIZED.*—The Center, at the discretion of the Board, may provide to entities described in subsection (b) for projects commercializing new nonfood, nonfeed products using agricultural commodities, financial assistance in the form of—*

(1) loans made or insured by the Center;

(2) interest subsidy payments made by the Center (pursuant to an agreement between the Center, the lender, and the borrower) to the lender in amounts determined pursuant to the agreement;

(3) venture capital invested by the Center in the form of a convertible debenture; and

(4) repayable grants that are matched by private or local public funds and that are repaid as agreed in a contract between the Center and the entity.

(b) ELIGIBLE ENTITIES.*—To obtain financial assistance for commercialization of nonfood, nonfeed products from the Center, an entity shall be a university or other institution of higher education, a nonprofit organization, a cooperative, or a business concern.*

(c) ADVISORY COUNCIL.*—The Board shall appoint an Advisory Council to advise the Board and Regional Centers concerning all applications for assistance submitted under this section. The conflict of interest provisions of subsection (i) of section 1659 shall apply to the Advisory Council. In appointing members of the Advisory Council, the Board shall ensure regional participation on the Advisory Council. The Advisory Council shall—*

(1) review (or coordinate the review of) the technical, engineering, financial, and managerial soundness and marketing potential of the applications;

(2) by majority vote, make a nonbinding recommendation on each application submitted under this section;

(3) monitor the progress of ongoing projects and provide technical and business counseling as needed;

(4) monitor the operation of the Regional Centers; and

(5) provide technical and business counseling to entities that are not seeking financial assistance from the Center, but which are engaged in commercializing nonfood, nonfeed uses of agricultural commodities.

(d) APPLICATION REQUIREMENTS.*—*

(1) FILED WITH DIRECTOR.*—To obtain financial assistance from the Center under this section, an eligible entity shall file an application with the Director.*

(2) CONTENTS.*—An application submitted to the Director under paragraph (1) shall—*

(A) describe the proposal of the entity for the commercialization of a new product consistent with this section, including documentation that such proposal is—

(i) scientifically sound;

(ii) technologically feasible; and

(iii) marketable;

(B) provide documentation that adequate private sector funding is not available, but that the applicant has the ability to obtain matching funds from the public or private sectors;

(C) provide documentation that the applicant has invested in the project a significant amount of the applicant's own resources, including time and money;

(D) provide documentation that the product or process has broad application and has the potential to be commercially viable without continual assistance;

(E) provide documentation that the proposal has broad participation by representatives of the public sector, the financial community, the private business community, State and local governments, educational institutions, the farm community, the science and engineering communities;

(F) provide documentation that an established relationship exists between the applicant and other entities to give the applicant access to private business assistance;

(G) provide assurances of legal compliance by the applicant with the terms and conditions of the receipt of assistance under this section; and

(H) provide assurances that the project will result in the creation of new jobs in rural communities.

(e) PRIORITIES.—The Board shall give priority to—

(1) applications that shall create jobs in economically distressed rural areas;

(2) applications that have State or local government financial participation; and

(3) applications that have private financial participation.

(f) ADDITIONAL CRITERIA.—The Board shall establish additional criteria for use in selecting among equivalent applications. Such criteria shall emphasize—

(1) the quantity and quality of jobs that are likely to be created in rural communities;

(2) the amount of the financial participation by State or local governments or private entities;

(3) the qualifications of the management to be used in the project;

(4) the potential market demand for the potential product to be marketed proportional to the financial assistance requested; and

(5) the likely level of returns to the Fund and the items described in paragraphs (2), (6), (8), and (9) of section 1660(c).

SEC. 1662. GENERAL RULES REGARDING THE PROVISION OF ASSISTANCE.

(a) NOTICE OF RECEIPT OF APPLICATIONS.—Not later than 30 days before the start of each period established by the Board for receipt of applications for financial assistance under section 1660 or 1661,

the Board shall publish in the Federal Register a notice that it will receive such applications.

(b) Monitoring.—The Board shall monitor the progress of projects that receive financial assistance under this subtitle. Such monitoring may include on-site reviews by representatives of the Board, a Regional Center, or the Advisory Council, the requirement of written reports by recipients of assistance, and supportive business and technical counseling as needed by the recipient. The Board may use the Advisory Council appointed under section 1661 to assist in such monitoring.

(c) Auditing and Accountability.—

(1) Required.—The Board shall establish a thorough and effective system of auditing and accountability to ensure that funds paid under section 1660 or 1661 are used by recipients only for the purposes for which those funds are provided by the Center.

(2) Demonstrated compliance.—The Board may require that recipients of financial assistance demonstrate that the use of financial assistance is in compliance with the agreement by which that assistance is provided.

(d) Information Exempt From Disclosure.—With respect to research, development, demonstration, or commercialization projects carried out with the participation of private research institutions or commercial companies, information received by the Center incident thereto shall be exempt from disclosure under section 552 of title 5, United States Code, and shall not be made available publicly except—

(1) with the approval of the person providing the information; or

(2) in a judicial or administrative proceeding in which such information is subject to protective order.

(e) Overhead and Administrative Costs.—The Board shall require that applications or responses to requests for proposals issued by the Center for grants, contracts, or cooperative agreements include detailed estimates of project overhead and administrative costs. In selecting such applications or proposals for awards, the Center shall give preference to those with the lowest effective costs.

(f) Prohibition on Certain Uses of Assistance.—No grant may be awarded, or contract or cooperative agreement entered into under this subtitle, for the acquisition or construction of a building or a facility.

(g) Reports.—

(1) Preparation.—As soon as practicable after the end of each fiscal year, the Board shall prepare and submit to the Secretary a report on the activities, progress, and accomplishments of the Center during such fiscal year. The report shall include—

(A) a description of the progress, activities, and accomplishments of the Center during that fiscal year and the expenditures by the Center for its information and other service activities; and

(B) a copy of the operating plan prepared by the Board under section 1659(c)(6).

(2) Transmittal.—The Secretary shall transmit each report received under paragraph (1) to the President and Congress not

later than 30 days after the date on which the Secretary receives the report.

SEC. 1663. REGIONAL CENTERS.

(a) ESTABLISHMENT.—

(1) REQUIRED.—Except as provided in paragraph (2), the Board shall establish not less than two nor more than six Regional Centers to carry out the activities specified in this section and such other activities as the Board shall from time to time specify.

(2) EXCEPTION.—A Regional Center may not be established or operated in a fiscal year unless at least $5,000,000 has been appropriated for that fiscal year to carry out this subtitle.

(b) METHOD OF ESTABLISHMENT.—

(1) REGIONAL BASIS.—Each Regional Center established under this section shall be located at a host institution. The Regional Centers shall be established in different States to reflect the different regional climatic conditions and rural economic stresses in the United States.

(2) COMPETITION.—An organization that desires to be selected as a host institution for a Regional Center shall submit an application to the Board. The Board shall determine the location of the Regional Centers based on a competitive review of the contents of such applications and shall consider the ability of the applicant to carry out the activities specified in this section.

(c) MATCHING OF FUNDS.—

(1) ASSURANCES OF APPLICANTS.—Each institution submitting an application for a Regional Center under this section shall provide assurances—

(A) that adequate funds or in-kind support (including office space, equipment and staff support) shall be provided to match the amount of funds used for administrative costs that are provided by the Federal Government under this subtitle;

(B) that the institution is qualified to carry out the activities required of a Regional Center; and

(C) concerning such other matters as the Board determines to be appropriate.

(2) CONSORTIUM.—The matching funds required under paragraph (1) may be provided by a consortia that may include the host institution and other public or private entities existing within various regions of the United States, including State and local governments, entities created by State and local governments, charitable organizations, public and private universities and other institutions of higher education, cooperatives, and economic development organizations.

(d) DIRECTOR.—Each Regional Center shall be headed by a full-time Regional Director who shall—

(1) be selected by the Board; and

(2) have a scientific or engineering background or have experience in the development of new products or processes in the public or private sector.

(e) ACTIVITIES.—Each Regional Center shall—

(1) encourage interaction among the private and Federal laboratories, National Science Foundation centers, Department of Agriculture research programs, other Federal resources, State and local regional economic development programs, universities, colleges, the private sector, and the financial community, for the purpose of evaluating and commercializing new nonfood, nonfeed uses of agricultural commodities;

(2) identify broad areas where commercialization of new nonfood, nonfeed products and processes can contribute to economic growth in rural areas of the United States, through the development of new nonfood, nonfeed uses for agricultural commodities by private companies and businesses;

(3) provide technical assistance and related business and financial counseling for small domestic businesses to commercialize new nonfood, nonfeed uses of agricultural commodities;

(4) identify new nonfood, nonfeed products and processes that are worthy of financial assistance;

(5) make use of existing programs in scientific, engineering, technical, and management education that will support the accelerated commercialization of new nonfood, nonfeed products and processes using agricultural commodities;

(6) advise the Board on the viability of specific applications submitted for financial assistance and on the type of assistance, if any, to be provided;

(7) coordinate their activities with the Small Business Development Centers; and

(8) coordinate their activities with the Center.

(f) REVIEW OF PROPOSALS FOR ASSISTANCE.—

(1) SUBMISSION TO REGIONAL CENTER.—If a Regional Center is established that includes the area in which a person applying for assistance under this subtitle is located, that person shall submit the application to the Regional Center for review.

(2) REVIEW.—The Directors of the Regional Centers shall work in consultation with the Advisory Council appointed under section 1661(c) to obtain peer review and evaluation of applications submitted to the Regional Centers.

(3) ROLE OF ADVISORY COUNCIL.—The Advisory Council shall review applications submitted to the Regional Centers. The Advisory Council shall, by majority vote, make a nonbinding recommendation on each proposal to the appropriate Regional Director.

(4) RECOMMENDATION.—The Regional Director, after consideration of the Advisory Council's recommendation and based on the comments of the reviewers, shall make and submit a recommendation to the Board along with the recommendation of the Advisory Council. A recommendation submitted by a Regional Director or the Advisory Council shall not be binding on the Board.

SEC. 1664. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION REVOLVING FUND.

(a) ESTABLISHMENT.—There is established in the Treasury of the United States a revolving fund to be known as the Alternative Agricultural Research and Commercialization Revolving Fund. The

Fund shall be available to the Center, without fiscal year limitation, to carry out the authorized programs and activities of the Center under this subtitle.

(b) Contents of Fund.*—There shall be deposited in the Fund—*

(1) such amounts as may be appropriated or transferred to support the programs and activities of the Center;

(2) payments received from any source for products, services, or property furnished in connection with the activities of the Center;

(3) fees and royalties collected by the Center from licensing or other arrangements relating to commercialization of products developed through projects funded in whole or part by grants, contracts, or cooperative agreements executed by the Center;

(4) donations or contributions accepted by the Center to support authorized programs and activities; and

(5) any other funds acquired by the Center.

(c) Funding Allocations.*—Funding of projects and activities under this subtitle shall be subject to the following restrictions:*

(1) Of the total amount of funds made available for a fiscal year under this subtitle—

(A) not more than 5 percent may be set aside to be used for authorized administrative expenses of the Center in carrying out its functions;

(B) not more than 5 percent may be set aside to be used for information collection and dissemination and technology transfer programs authorized in this subtitle; and

(C) not less than 85 percent shall be set aside to be awarded to qualified applicants who file project applications with, or respond to requests for proposals from, the Center under sections 1660 and 1661.

(2) Any funds remaining uncommitted at the end of a fiscal year shall be credited to the Fund and added to the total program funds available to the Center for the next fiscal year.

(d) Termination of the Fund.*—On expiration of the provisions of this subtitle, all assets (after payment of all outstanding obligations) of the Fund shall revert to the general fund of the Treasury.*

(e) Authorization of Appropriations.*—There are authorized to be appropriated to the Fund—*

(1) $10,000,000 for fiscal year 1991;

(2) $20,000,000 for fiscal year 1992;

(3) $30,000,000 for fiscal year 1993;

(4) $50,000,000 for fiscal year 1994, and

(5) $75,000,000 for each of the fiscal years 1995 through 2000.

Subtitle H—Miscellaneous Research Provisions

SEC. 1668. BIOTECHNOLOGY RISK ASSESSMENT RESEARCH.

(a) Purpose.*—It is the purpose of this section to—*

(1) authorize and support environmental assessment research to the extent necessary to help address general concerns about environmental effects of biotechnology; and

(2) authorize research to help regulators develop policies, as soon as practicable, concerning the introduction into the environment of such technology.

(b) GRANT PROGRAM.—The Secretary of Agriculture shall establish a grant program within the Cooperative State Research Service and the Agricultural Research Service to provide the necessary funding for environmental assessment research concerning the introduction of genetically engineered organisms into the environment.

(c) TYPES OF RESEARCH.—Types of research for which grants may be made under this section shall include the following:

(1) Research designed to develop methods to physically and biologically contain genetically engineered animals, plants, and microorganisms once they are introduced into the environment.

(2) Research designed to develop methods to monitor the dispersal of genetically engineered animals, plants, and microorganisms.

(3) Research designed to further existing knowledge with respect to the rates and methods of gene transfer that may occur between genetically engineered organisms and related wild and agricultural organisms.

(4) Other areas of research designed to further the purposes of this section.

(d) ELIGIBILITY REQUIREMENTS.—Grants under this section shall be—

(1) made on the basis of the quality of the proposed research project; and

(2) available to any public or private research or educational institution or organization.

(e) CONSULTATION.—In considering specific areas of research for funding under this section, the Secretary of Agriculture shall consult with the Administrator of the Animal and Plant Health Inspection Service, the Office of Agricultural Biotechnology, and the Agricultural Biotechnology Research Advisory Committee.

(f) PROGRAM COORDINATION.—The Secretary of Agriculture shall coordinate research funded under this section with the Office of Research and Development of the Environmental Protection Agency in order to avoid duplication of research activities.

(g) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated such sums as necessary to carry out this section.

(2) WITHOLDINGS FROM BIOTECHNOLOGY OUTLAYS.—The Secretary of Agriculture shall withhold from outlays of the Department of Agriculture for research on biotechnology, as defined and determined by the Secretary, at least one percent of such amount for the purpose of making grants under this section for research on biotechnology risk assessment.

SEC. 1669. GRADUATE SCHOOL OF THE DEPARTMENT OF AGRICULTURE.

(a) TRAINING SERVICES.—Notwithstanding any other provision of law, the head of a Federal agency or major organizational unit within any agency, including agencies and offices within the Department of Agriculture, may place an order (or enter into an agreement) with the Graduate School of the Department of Agriculture under the provisions of section 1535 of title 31, United States Code,

for training and other services incidental to the provision of such training.

(b) GOODS OR SERVICES.—*The Graduate School may obtain any goods or services necessary to the fulfillment of an order under subsection (a) or its obligations under such agreement without regard to the requirements of—*

(1) the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.); or

(2) any other law that prescribes procedures for the procurement of property or services by an executive agency.

(c) AUDITS OF RECORDS.—*The financial records of the Graduate School relating to orders or agreements under subsection (a) shall be made available to the Comptroller General for purposes of conducting an audit.*

(d) DEFINITIONS.—*For purposes of this section:*

(1) The term "Graduate School" means the Graduate School of the Department of Agriculture.

(2) The term "training" has the meaning given that term in section 4101(4) of title 5, United States Code.

SEC. 1670. LIVESTOCK PRODUCT SAFETY AND INSPECTION PROGRAM.

(a) ESTABLISHMENT.—*The Assistant Secretary for Science and Education, acting through the Cooperative State Research Service special grants program, may provide assistance to eligible entities to encourage and assist efforts made by research institutions to improve the efficiency and effectiveness of safety and inspection systems for livestock products.*

(b) ELIGIBLE ENTITIES.—*To be eligible to receive assistance under this section an entity shall be a land-grant college or university or any other college or university which demonstrates capability in the agriculture sciences, an individual research institution, or a consortia of such institutions.*

(c) CONTRIBUTION BY ENTITY.—

(1) REQUIREMENT.—*To be eligible to receive assistance under this section, an entity shall agree that such entity will, with respect to the costs to be incurred by the entity in conducting the research for which the assistance is provided, make available (directly or through donations) non-Federal contributions toward such costs in an amount equal to 50 percent of such costs.*

(2) NON-FEDERAL CONTRIBUTIONS.—*Non-Federal contributions required under paragraph (1) may be in cash or in kind, fairly evaluated, including plant, equipment, or services. Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, may not be included in determining the amount of such non-Federal contributions.*

(d) ADMINISTRATION.—*In providing assistance under this section, the Assistant Secretary for Science and Education shall to the extent practicable ensure that the amount of such assistance is provided equally to eligible entities representing the beef, pork, lamb, poultry, and acquaculture industries.*

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, such sums as necessary for each of the fiscal years 1991 through 1995.

SEC. 1671. PLANT GENOME MAPPING PROGRAM.

(a) PROGRAM REQUIRED.—The Secretary of Agriculture (hereinafter in this section referred to as the "Secretary") shall conduct a research program for the purpose of—

(1) supporting basic and applied research and technology development in the area of plant genome structure and function;

(2) providing United States leadership in biotechnology; and

(3) providing crop varieties that may be cultivated profitably without negatively impacting the environment.

(b) COMPETITIVE GRANTS.—The Secretary may make competitive grants, for periods not to exceed five years, to State agricultural experiment stations, all colleges and universities, other research institutions and organizations, Federal agencies, private organizations or corporations, and individuals for research projects in the research areas identified in subsection (c).

(c) RESEARCH AREAS.—Grants available under subsection (b) shall be awarded in the following research areas:

(1) Construction of plant genome maps.

(2) Identification, characterization, transfer, and expression of genes of agricultural importance.

(3) Technology development in the areas of plant genome mapping, sequencing, gene transfer, and data management.

(4) Research on microorganisms associated with plants, such as plant pathogens and plant symbionts.

(d) PLAN FOR MAKING GRANTS.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit to the Congress a detailed plan for awarding grants under this section.

(e) COORDINATION OF EFFORTS.—The Secretary shall coordinate activities under this section with related activities sponsored by the National Science Foundation, the National Institutes of Health, the Department of Energy, and the Department of Commerce.

(f) PROPRIETARY INTERESTS.—The Secretary shall require (when the Secretary considers it to be appropriate) licensing and patent agreements, copyright fees, royalties, or other fee arrangements on the sales of products and new uses, applications, technologies, or processes developed through assistance provided under this section.

(g) REPORTS.—The Secretary shall submit to the Congress an annual report describing the operations of the grant program authorized by this section during the preceding fiscal year.

(h) AUTHORIZATIONS OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

SEC. 1672. SPECIALIZED RESEARCH PROGRAMS.

(a) ANIMAL LEAN CONTENT RESEARCH.—The Secretary of Agriculture is encouraged to fund research for the development of technology which will ascertain the lean content of animal carcasses to be used for human consumption.

(b) ETHANOL RESEARCH.—In order to further carry on and enhance needed ethanol research, the facility of the Agricultural Research Service located at Peoria, Illinois (authorized by section 202

of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1292)), may enter into cooperative agreements, contracts, and the exchange of scientific information with the Department of Energy in the area of ethanol research. Such facility shall hereafter be referred to as the National Center for Agricultural Utilization Research, Agricultural Research Service, United States Department of Agriculture.

(c) AFLATOXIN RESEARCH.—The Secretary of Agriculture shall conduct a research program for the purpose of determining the presence of aflatoxin in the food and feed chains. The research required under this subsection shall include research in the following areas:

(A) The examination of agricultural commodities, products, and feeds for the presence and quantity of aflatoxin.

(B) The examination of human populations to assess the exposure level to aflatoxin.

(C) The examination of safe levels of aflatoxin in the food and feed chains.

(D) The development and assessment of control methods for aflatoxin, including methods to handle, store, detoxify, and dispose of aflatoxin-contaminated agricultural commodities, products, and feeds.

(E) The development of effective methods of controlling the aflatoxin contamination of agricultural products in international trade when the level of such contamination exceeds an acceptable level.

(F) The development of plants resistant to aflatoxin contamination.

(G) The improvement of sampling and analysis methods for aflatoxin.

(H) The effect of aflatoxin on animal disease through immunosuppression and interaction with other disease agents.

(I) The economic consequences of aflatoxin contamination.

(d) MESQUITE RESEARCH—

(1) RESEARCH REQUIRED.—The Secretary of Agriculture shall conduct a research program for the purpose of developing enhanced production methods and commercial uses of mesquite.

(2) COMPETITIVE GRANTS.—The Secretary shall make competitive grants, for periods not to exceed 5 years, to a State agricultural experiment station, a college or university, or a consortium of such entities, for a research project in the research areas identified in paragraph (3).

(3) RESEARCH AREAS.—A grant available under paragraph (2) shall be awarded to an applicant to conduct research in—

(A) the development of techniques to produce, from small-diameter, short-length, or otherwise irregular mesquite logs, solid-wood products useful as flooring, furniture parts, turning blanks, and such other uses as may have potential economic value;

(B) the development of management techniques designed to improve stands for quality lumber production from mesquite; and

(C) such other methods of production, harvesting, processing, and marketing that are designed to provide viable markets for mesquite and lead to the commercialization of mesquite as a cash crop.

(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $100,000 for each of the fiscal years 1991 through 1995 to carry out this subsection.

(e) PRICKLY PEAR RESEARCH.—

(1) RESEARCH REQUIRED.—The Secretary of Agriculture shall conduct a research program for the purpose of investigating enhanced genetic selection and processing techniques of prickly pears.

(2) COMPETITIVE GRANTS.—The Secretary shall make competitive grants, for periods not to exceed 5 years, to a State agricultural experiment station, a college or university, or a consortium of such entities, for research projects in the research areas identified in paragraph (3).

(3) RESEARCH AREAS.—A grant available under paragraph (2) shall be awarded to an applicant to conduct research—

(A) to investigate, through genetic selection, the development of varieties of prickly pear with improved growth, freeze tolerance, and harvest characteristics;

(B) to develop techniques to produce and process prickly pear as a food source; and

(C) to continue to investigate the nutritional value and health benefits of prickly pears.

(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $100,000 for each of the fiscal years 1991 through 1995 to carry out this subsection.

(f) IMMUNOASSAY RESEARCH.—

(1) RESEARCH REQUIRED.—The Secretary of Agriculture shall establish and carry out a program to make grants to colleges and universities for research relating to immunoassay used—

(A) to detect agricultural pesticide residues on agricultural commodities for human consumption; and

(B) to diagnose animal and plant diseases.

(2) PREFERENCE.—In making grants under this subsection, the Secretary may give preference to those colleges and universities that, as of the date of the enactment of this Act, are conducting research described in this subsection.

(g) NICHE MARKET DEVELOPMENT.—The Secretary shall make research and extension grants available for the development of agricultural production and marketing systems that will service niche markets located in nearby metropolitan areas. In awarding such grants, the Secretary shall pay particular attention to areas—

(1) with a high concentration of small farm operations; and

(2) that experience difficulty in delivering products to market due to geographic isolation.

(h) SCRAPIE RESEARCH.—

(1) RESEARCH AUTHORIZED.—The Secretary of Agriculture may establish and carry out a program to conduct research on the disease of scrapie in sheep and goats, including research regarding the following:

(A) Methods for detecting infection of animals with scrapie before the animals become symptomatic.

(B) Methods for treatment, prevention, and cure of scrapie.

(C) Methods for controlling the spread of scrapie.

(2) GRANTS AND CONTRACTS.—In carrying out a research program established under this subsection, the Secretary may make grants to and contract with Federal, State, and local agencies and any other organizations that are experienced in research regarding animal diseases.

(3) COORDINATION.—The Secretary shall coordinate the research program established under this subsection with other research programs regarding encephalopathies, in particular research regarding bovine spongiform encephalopathy in cattle.

(i) DEER TICK ECOLOGY AND RELATED RESEARCH.—There are authorized to be appropriated $250,000 for each of the fiscal years 1991 through 1995 to be used by the Agricultural Research Service to assist research in the field of population ecology of deer ticks and other insects and pests which transmit Lyme disease.

(j) NEW COMMERCIAL PRODUCTS FROM NATURAL PLANT MATERIALS.—The Secretary of Agriculture may—

(1) conduct fundamental and applied research related to the development of new commercial products derived from natural plant materials for industrial, medical, and agricultural applications; and

(2) participate with colleges and universities, other Federal agencies, and private sector entities in conducting such research.

(k) ADMINISTRATIVE PROVISIONS.—

(1) PEER REVIEW.—Except for research funded under subsection (i), research funded under this section shall be subject to peer review at such times as the Secretary considers necessary for the purpose of reviewing the progress and efficacy of the research and the justification and need for continued funding.

(2) LIMITATION ON USE OF FUNDS.—Funds provided under this section may not be used for the planning, repair, rehabilitation, acquisition, or construction of a building or facility.

(3) GENERAL ELIGIBILITY.—Unless otherwise specified in this section, State agricultural experiment stations, all colleges and universities, other research institutions and organizations, Federal agencies, private organizations or corporations, and individuals shall be eligible to participate in the programs established by this section.

SEC. 1673. AGRICULTURAL TELECOMMUNICATIONS PROGRAM.

(a) PURPOSE.—The program (hereafter referred to in this section as the "program") established under this section is intended to encourage the development and utilization of an agricultural communications network to facilitate and to strengthen agricultural extension, resident education and research, and domestic and international marketing of United States agricultural commodities and products through a partnership between eligible institutions and the Department of Agriculture. The network will employ satellite and other telecommunications technology to disseminate and to share academic instruction, cooperative extension programming, agricultural research, and marketing information.

(b) OBJECTIVES.—The objectives of the program established under this section are—

(1) to make optimal use of available resources for agricultural extension, resident education, and research by sharing resources between participating institutions;

(2) to improve the competitive position of United States agriculture in international markets by disseminating information to producers, processors, and researchers;

(3) to train students for careers in agriculture and food industries;

(4) to facilitate interaction among leading agricultural scientists;

(5) to enhance the ability of United States agriculture to respond to environmental and food safety concerns; and

(6) to identify new uses for farm commodities and to increase the demand for United States agricultural products in both domestic and foreign markets.

(c) DEFINITIONS.—For purposes of this section—

(1) The term "eligible institution" means an accredited institution of higher education determined by the Secretary to be able to meet the objectives identified in subsection (b).

(2) The term "communications network" refers to television or cable television origination or distribution equipment, signal conversion equipment (including both modulators and demodulators), computer hardware and software, programs or terminals, or related devices, used to process and exchange data through a telecommunications system in which signals are generated, modified, or prepared for transmission, or received, via telecommunications terminal equipment or via telecommunications transmission.

(3) The term "delivery" means the transmission and reception of programs by facilities that transmit, receive, or carry data between telecommunications terminal equipment at each end of a telecommunications circuit or path.

(4) The term "facilities" includes microwave antennae, fiber-optic cables and repeaters, coaxial cables, communications satellite ground station complexes, copper cable electronic equipment associated with telecommunications transmission, and similar items as defined by the Secretary.

(5) The term "satellite ground station complex" includes transmitters, receivers, and communications antennae at the Earth station site together with the interconnecting terrestrial transmission facilities (including cables, line, or microwave facilities) and modulating and demodulating equipment necessary for processing traffic received from the terrestrial distribution system prior to transmission via satellite and the traffic received from the satellite prior to transfer to terrestrial distribution systems.

(d) AUTHORIZATION OF ASSISTANCE TO ELIGIBLE INSTITUTIONS.—(1) The Secretary shall establish a program, to be administered by the Assistant Secretary for Science and Education, under which financial and technical assistance may be provided to eligible institutions that participate in a network that distributes programs consistent with the objectives described in subsection (b).

(2) The Secretary may approve all or part of any application submitted by an eligible institution if the proposed activity will contrib-

ute, directly or indirectly, to the purpose and objectives of the program established under this section.

(3) As provided in subsection (f), applications for financial assistance may include requests to fund program production or program delivery, or both.

(e) PRIORITY.—The Secretary, in considering applications for assistance under this program, shall establish procedures to ensure a broad dissemination of programming, giving a preference to applications that—

(1) are submitted by institutions affiliated with an established agricultural telecommunications network that distributes programs to a wide geographical area; or

(2) demonstrate the need for such assistance, taking into consideration the relative needs of all applicants and the financial ability of the applicants to otherwise secure or create the telecommunications system.

(f) APPLICATIONS FOR PROGRAM PRODUCTION AND DELIVERY.—(1) The Secretary shall consider applications for financial assistance for the production and delivery of programs or cooperative extension, academic instruction in agriculture, agricultural research, and other topics consistent with the objectives described in subsection (b).

(2) Eligible institutions shall request assistance by submitting applications to the Assistant Secretary for Science and Education. Applications shall include—

(A) a detailed description of the telecommunications network and programming proposed to be produced and delivered, including to whom the programming will be distributed, how the programming will contribute to achieving the objectives described in subsection (b), and the total cost of producing and delivering such programming;

(B) the amount of assistance requested for the proposed program authorized under this section and other sources of funding that will be used for the proposed program; and

(C) an analysis of the costs and benefits of purchasing (or leasing) different types of facilities, equipment, components, hardware and software, or other items.

(g) LIMITATIONS ON ASSISTANCE.—(1) The Secretary may provide funds totaling not more than 50 percent of the cost of a proposal for which an application is submitted under subsection (f). Notwithstanding the preceding sentence, the Secretary may provide funds totaling up to 100 percent of the cost of such a proposal if the Secretary determines that an eligible institution would otherwise be unable to carry out the proposal.

(2) The Secretary may allocate not more than 10 percent of the funds appropriated under this section for the acquisition and installation of telecommunications transmission facilities.

(h) AUTHORIZATION OF APPROPRIATIONS.—For the purposes of implementing the program established under this section, there are hereby authorized to be appropriated not more than $12,000,000 for each of the fiscal years 1991 through 1995.

SEC. 1674. COMMISSION ON AGRICULTURAL RESEARCH FACILITIES.

(a) DEFINITIONS.—For purposes of this section:

(1) AGRICULTURAL RESEARCH FACILITY.—The term "agricultural research facility" means a facility at which agricultural research is regularly carried out, or proposed to be carried out, and which is—

(A) an existing Agricultural Research Service facility or a Forest Service facility;

(B) an agricultural facility in the process of being planned or being constructed using Federal funding or a planned agricultural facility that will use Federal funding; or

(C) any other facility under the jurisdiction of the Secretary of Agriculture.

(2) STUDY COMMISSION.—The term "Study Commission" means the Agriculture Research Facilities Planning and Closure Study Commission established under this section.

(3) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(b) STUDY COMMISSION ESTABLISHED.—The Secretary shall establish an Agriculture Research Facilities Planning and Closure Study Commission to carry out the activities described in subsection (c).

(c) GENERAL DUTIES.—The Study Commission shall—

(1) review all currently operating and planned agricultural research facilities for research importance;

(2) identify those agricultural research facilities that should be closed, realigned, consolidated, or modernized, in order to aid in carrying out the research agenda of the Secretary;

(3) develop recommendations concerning agricultural research facilities; and

(4) evaluate the agricultural research facilities acquisition and modernization system utilized by the Department of Agriculture and recommend improvements in such system.

(d) ELEMENTS OF STUDY COMMISSION.—

(1) MEMBERSHIP.—The Study Commission shall be composed of 14 members to be appointed not later than 60 days after the date of enactment of this Act, of which—

(A) two members shall be appointed by the Secretary from among private citizens or employees of the Executive Branch;

(B) three members shall be appointed by the Chairman of the Committee on Agriculture, Nutrition, and Forestry of the Senate;

(C) three members shall be appointed by the Ranking Minority Member of the Committee on Agriculture, Nutrition, and Forestry of the Senate;

(D) three members shall be appointed by the Chairman of the Committee on Agriculture of the House of Representatives; and

(E) three members shall be appointed by the Ranking Minority Member of the Committee on Agriculture of the House of Representatives.

(2) VACANCIES.—A vacancy occurring on the Study Commission shall be filled in the same manner as that in which the original appointment was made.

(3) COMPENSATION AND EXPENSES.—

(A) COMPENSATION.—Members of the Study Commission who are not regular full-time employees of the United States government shall, while attending meetings and conferences of the Study Commission or otherwise engaged in the business of the Study Commission (including travel time), be entitled to receive compensation at a rate fixed by the Secretary, but not exceeding the rate specified at the time of such service under GS-18 of the General Schedules established under section 5332 of title 5, United States Code.

(B) EXPENSES.—While away from their homes or regular places of business on the business of the Study Commission, members of such Commission may be allowed travel expenses, including per diem in lieu of subsistence, as is authorized under section 5703 of title 5, United States Code, for persons employed intermittently by the Federal Government.

(4) CHAIRPERSON.—The Secretary shall designate a member of the Study Commission to serve as the Chairperson.

(5) MEETINGS.—The Study Commission shall meet at the call of the Chairperson, of a majority of the members of the Study Commission, or at the call of the Secretary.

(6) DIRECTOR AND STAFF.—The Chairperson of the Study Commission may appoint a Director of such Commission, and may request the detailing of the staff of Federal agencies to such Commission to assist it in carrying out its duties. The Chairperson may employ experts and consultants.

(e) GENERAL POWERS.—The Study Commission shall have the power to meet and hold hearings, use the mails of the United States, and provide and acquire administrative support services.

(f) REPORT.—Not later than 240 days after the date of enactment of this Act, the Study Commission shall prepare and submit to the Secretary, the Committee on Agriculture and Appropriations of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry and Appropriations of the Senate, a report concerning the findings and recommendations developed under subsection (c).

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

SEC. 1675. NATIONAL CENTERS FOR AGRICULTURAL PRODUCT QUALITY RESEARCH.

(a) PURPOSES.—The purposes of the national centers for agricultural product quality research shall be to—

(1) serve as regional or commodity specific agricultural product quality research and education focal points involving one or more university and Federal participants;

(2) take advantage of opportunities, and establish linkages between universities and other entities with expertise, in basic biology and engineering, the development of new technology, the application of technology to practice, and related quality assurance and regulatory activities;

(3) develop and enhance explicit relationships (including the possible sharing of the cost of center operations) between the research and development community, the Department, and other Federal agencies, and with all aspects of the involved industries;

(4) provide a mechanism for dealing with the safety and wholesomeness of new food products and processes that use biotechnology (including transgenic plants and animals);

(5) provide factual public information about agricultural product quality and wholesomeness on a continuing basis; and

(6) where appropriate, build on existing institutional strengths and commitments to address issues relating to agricultural product quality and wholesomeness and on demonstrated capability to effectively link with operational units of the Department, other Federal agencies, and private industry.

(b) CHARACTERISTICS OF CENTERS.—

(1) REGIONAL BASIS.—The centers shall be regional based units that conduct a broad spectrum of research, development, and education programs to assure the safety and wholesomeness of food through the prevention, detection, and modification of processes and products involved in the food chain that potentially compromise agricultural product quality and wholesomeness.

(2) RESEARCH APPROACH.—The centers shall involve multidisciplinary and interdisciplinary approaches to the development of new knowledge and technology. The centers may include multiinstitutional linkages between universities or related Federal laboratories.

(3) MANAGEMENT.—The centers shall serve as a management focal point for grants that deal with agricultural product quality research, extension, and teaching, including the provision of mechanisms for sharing resources between cooperating institutions and laboratories.

(4) RESEARCH LINKAGES.—Appropriate linkages within the centers shall include related efforts in agriculture, medicine, veterinary medicine, public health, engineering and related life and physical sciences, and social sciences dealing with health related behavior.

(5) RESEARCH SCOPE.—Each center shall conduct research and education on the full spectrum of production, processing, transportation, and marketing for commodity classes, such as animals (including animal products and animal feed), agronomic crops, and horticultural crops.

(c) ESTABLISHMENT OF CENTERS.—

(1) GRANTS.—The Secretary shall make grants to establish the centers. Such grants establishing centers shall be competitively awarded based on merit and relevance in reference to meeting the purposes specified in subsection (a).

(2) PERIODS AND PREFERENCES.—Grants may be awarded for periods of up to five years and may be renewed in competition with demonstration of adequate performance. The Secretary shall give preference to proposals that demonstrate linkages with action agencies of the Department, with other related Fed-

eral research laboratories and agencies, and with private industry.

(3) PRIMARY INSTITUTION IN CENTER.—The primary institution involved in a center shall be a land-grant college with other cooperating or collaborating academic institutions, nonprofit research and development entities, and Federal laboratories. A center may involve institutions or laboratories in more than one State.

(4) MATCHING FUNDS.—The non-Federal sponsors of a center shall contribute an amount of funds for operation of the center equal to not less than the amount awarded by the Federal Government.

(d) PROGRAM PLAN AND REVIEW.—

(1) PLAN.—A program plan shall be developed by the Department after obtaining the advice of representative users of the centers, including both action agencies and appropriate representatives from various segments of the food industry. The plan shall be submitted to the Congress for review at intervals of not less than once every three years.

(2) REVIEW.—Accomplishments and directions of the centers shall be reviewed by the Department on a periodic basis, but not less frequently than at the end of the second and fourth years after the date of the enactment of this Act. The persons conducting the review shall be appointed by, and report to, the Secretary.

(e) LIMITATION ON USE OF FUNDS.—Funds provided under this section may not be used for the planning, repair, rehabilitation, acquisition, or construction of a building or facility.

(f) DEFINITIONS.—For purposes of this section:

(1) The term "center" means a national center for agricultural product quality research established under this section.

(2) The term "Secretary" means the Secretary of Agriculture.

(3) The term "Department" means the Department of Agriculture.

(g) AUTHORIZATION OF APPROPRIATIONS.—(1) There are authorized to be appropriated such funds as may be necessary to carry out this section for each of the fiscal years 1991 through 1995.

(2) The centers shall be funded through the Cooperative State Research Service in the Department.

SEC. 1676. TURKEY RESEARCH CENTER.

There are authorized to be appropriated $500,000 for fiscal year 1992 to be used by the Agricultural Research Service for planning purposes in the establishment of a facility to be known as the Agricultural Turkey Research Center to be located in Pelican Rapids, Minnesota, and operated in cooperation with the North Dakota State University.

SEC. 1677. RESERVATION EXTENSION AGENTS.

(a) ESTABLISHMENT.—The Secretary of Agriculture, acting through the Extension Service, shall establish appropriate extension education programs on Indian Reservations and tribal jurisdictions. In establishing these extension programs, the Secretary shall consult with the Bureau of Indian Affairs, the Intertribal Agriculture Council, and the Southwest Indian Agriculture Association, and

shall make such interagency cooperative agreements or memoranda of understanding as may be necessary. The programs to be developed and delivered on Reservations and within tribal jurisdictions shall be determined with the advice and counsel of Reservation or tribal program advisory committees.

(b) Administration and Management.—Extension agents shall be employees of, and administratively responsible to, the Cooperative Extension Service of the State within which the Reservation or tribal jurisdiction is located, and employment and personnel management responsibilities shall be vested with the State Cooperative Extension Service. In cases where a Reservation or tribal jurisdiction is located in two or more States, the Secretary of Agriculture shall make the determination of administrative responsibility, including possible divisions along State boundaries.

(c) Advisory Committees.—At the request of a State Extension Director, and with the assistance of the Tribal authorities, the Secretary of Agriculture may form an advisory committee to give overall policy and program advice to that State Extension Director with regard to programs conducted on reservations or within tribal jurisdictions. Program advisory committees may be formed to assist extension staff in development and conduct of program activities.

(d) Staffing.—Insofar as possible, agent and specialist staff shall include individuals representative of the tribal grouping being served. Programs shall emphasize training and employment of local people in positions such as program aides, master gardeners, and volunteers. Staffing at a particular location shall be dependent on the needs and priorities of that location, as identified by the advisory committees and the State Extension Director, and the Director may make use of existing personnel and facilities as appropriate.

(e) Placing of Agents.—The number of offices and their placement shall be jointly determined by the State Extension Directors and tribal authorities of the respective States by taking into consideration the agricultural acreage within the boundaries of an Indian Reservation or tribal jurisdiction, the soil classifications of such acreage, and the population of such Reservation or tribal jurisdiction.

(f) Authorization of Appropriations.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

SEC. 1678. SPECIAL GRANT TO STUDY CONSTRAINTS ON AGRICULTURAL TRADE.

(a) Grant Required.—The Secretary of Agriculture shall provide at least two special grants to land-grant colleges and universities to conduct a study that will evaluate the trade impacts of technical barriers, quality factors, and end-use characteristics in agricultural trade to determine whether such factors are consistent as between commodities. Such study shall be conducted with the objective—

(1) to identify and analyze constraints related to end-use characteristics in trade and competition;

(2) to design production and processing techniques to lessen their impacts; and

(3) to identify public policy alternatives, nationally and internationally, that may reduce the impacts of such trade restrictions.

(b) Joint Development.—The Secretary shall ensure that the grants provided for in this section provide for the joint development of the methodology and techniques between the recipients of such grants to meet the objectives set forth in subsection (a).

(c) Report.—Not later than 18 months after the date of the enactment of this Act, the Secretary shall report the results of the study grants under subsection (a) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(d) Land-Grant Colleges and Universities Defined.—For purposes of this section, the term "land-grant colleges and universities" has the meaning given to that term in section 1404(10) of the National Agricultural Research, Teaching, and Extension Policy Act of 1977 (7 U.S.C. 3103(10)).

SEC. 1679. PILOT PROJECT TO COORDINATE FOOD AND NUTRITION EDUCATION PROGRAMS.

(a) Pilot Project.—The Secretary of Agriculture shall establish a five-year pilot project to make available grants to not less than two States, on a competitive basis, for the purpose of implementing in such States, a plan that—

(1) provides for the full coordination of the conceptual design and program delivery of food and nutrition education programs for potential participants within the State; and

(2) provides to the greatest extent possible for the coordination of such food and nutrition education programs with related State programs.

(b) Elements of the Project.—In carrying out subsection (a), the Secretary shall—

(1) provide for enhanced intraagency and interagency coordination in the design and delivery of food and nutrition education programs;

(2) develop more efficient methods, and improved agency organization, to inform the public and persons eligible for food and nutrition programs about such education programs (including those education programs regarding nutrition and management of family resources for better nutrition and health) and nutrition education programs available at the Federal, State, and local level; and

(3) provide for an evaluation of the degree to which stated program coordination objectives are being attained, the impact on actual behavioral change of program participants, and the implication of the program outcomes for future public health, budget expenditures, and the general public welfare.

(c) Definitions.—For purposes of this section:

(1) The term "coordination" means the development and implementation of a consistent and coherent program of nutrition education regarding the receipt and increased beneficial use of the resources made available to persons for food and nutrition programs and, to the extent possible, related State and local food and nutrition programs.

(2) The term "food and nutrition education programs" includes any educational programs or components of the food stamp program, the expanded food and nutrition education program, and such other programs administered by the Department of Agriculture as the Secretary determines necessary to effectively implement the programs required under subsection (a).

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary for each of the fiscal years 1991 through 1995 such sums as may be necessary to carry out the pilot project established under subsection (a).

SEC. 1680. ASSISTIVE TECHNOLOGY PROGRAM FOR FARMERS WITH DISABILITIES.

(a) SPECIAL DEMONSTRATION GRANTS.—

(1) IN GENERAL.—The Secretary of Agriculture, in consultation with other appropriate Federal agencies, shall make demonstration grants to support cooperative programs between State Cooperative Extension Service agencies and private nonprofit disability organizations to provide on-the-farm agricultural education and assistance directed at accommodating disability in farm operations for individuals with disabilities who are engaged in farming and farm-related occupations and their families.

(2) ELIGIBLE SERVICES.—Grants awarded under paragraph (1) may be used to support programs serving individuals with disabilities, and their families, who are engaged in farming and farm-related occupations.

(3) ELIGIBLE PROGRAMS.—Grants awarded under paragraph (1) may be used to initiate, expand, or sustain programs that—

(A) provide direct education and assistance to accommodate disability in farming to individuals with disabilities who engage in farming and farm-related occupations;

(B) provide on-the-farm technical advice concerning the design, fabrication, and use of agricultural and related equipment, machinery, and tools, and assist in the modification of farm worksites, operations, and living arrangements to accommodate individuals with disabilities who engage in farming, farm living and farm-related tasks;

(C) involve community and health care professionals, including Extension Service agents and others, in the early identification of farm and rural families that are in need of services related to the disability of an individual;

(D) provide specialized education programs to enhance the professional competencies of rural agricultural professionals, rehabilitation and health care providers, vocational counselors, and other providers of service to individuals with disabilities, and their families, who engage in farming or farm-related occupations; and

(E) mobilize rural volunteer resources, including peer counseling among farmers with disabilities and rural ingenuity networks promoting cost effective methods or accommodating disabilities in farming and farm-related activities.

(4) EXTENSION SERVICE AGENCIES.—Grants shall be awarded under this subsection directly to State Extension Service agencies to enable them to enter into contracts, on a multiyear basis, with private nonprofit community-based direct service organizations to initiate, expand, or sustain cooperative programs described under paragraphs (2) and (3).

(5) MINIMUM AMOUNT.—A grant awarded under this subsection may not be less than $150,000.

(6) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection—

(A) not less than $3,000,000 for each of the fiscal years 1991 and 1992; and

(B) not less than $5,000,000 for each of the fiscal years 1993 through 1996.

(b) NATIONAL GRANT FOR TECHNICAL ASSISTANCE, TRAINING AND DISSEMINATION.—

(1) IN GENERAL.—The Secretary of Agriculture shall award a competitive grant to a national private nonprofit disability organization to enable such organization to provide technical assistance, training, information dissemination and other activities to support community-based direct service programs of onsite rural rehabilitation and assistive technology for individuals with disabilities, and their families, who are engaged in farming or farm-related occupations.

(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $1,000,000 to carry out this subsection for each of the fiscal years 1991 through 1996.

SEC. 1681. RESEARCH ON HONEYBEE DISEASES.

(a) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) diseases affecting the entire honeybee population impact on the ability of honeybees to carry out crop pollination and honey production, and therefore impact negatively on beekeepers, producers and consumers; and

(2) certain diseases (such as those caused by teacheal mite, varroa mite, and the Africanized honeybee) pose a threat to the continued well-being of the general honeybee population, and thus merit further study.

(b) RESEARCH.—Notwithstanding any other provision of law, the Secretary of Agriculture shall give priority attention to the funding of research regarding the diseases referred to in subsection (a) that are affecting the honeybee population.

TITLE XVII—FOOD STAMP AND RELATED PROVISIONS

SEC. 1701. SHORT TITLE.

This title may be cited as the "Mickey Leland Memorial Domestic Hunger Relief Act".

Subtitle A—Food Stamp Program

SEC. 1711. REFERENCES TO THE FOOD STAMP ACT OF 1977.

Whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), except to the extent otherwise specifically provided.

SEC. 1712. RECIPIENTS OF AGED, BLIND, AND DISABLED BENEFITS IN TERRITORIES.

(a) DEFINITION OF FOOD.—Section 3(g) (7 U.S.C. 2012(g)) is amended—

(1) in clause (3), by striking "under title XVI" and inserting "or disability or blindness payments under title I, II, X, XIV, or XVI"; and

(2) in clause (7)—

(A) by striking "title II or title XVI" and inserting "title I, II, X, XIV, or XVI"; and

(B) by inserting after "section 1616(e) of the Social Security Act" the following: "or under standards determined by the Secretary to be comparable to standards implemented by appropriate State agencies under such section".

(b) DEFINITION OF HOUSEHOLD.—The last sentence of section 3(i) is amended—

(1) by striking "title II or title XVI" and inserting "title I, II, X, XIV, or XVI"; and

(2) by inserting after "section 1616(e) of the Social Security Act" the following: "or under standards determined by the Secretary to be comparable to standards implemented by appropriate State agencies under such section".

SEC. 1713. RESTAURANT MEALS AT CONCESSIONAL PRICES FOR THE HOMELESS.

(a) DEFINITION OF FOOD.—Section 3(g)(9) (7 U.S.C. 2012(g)(9)) is amended by striking "individuals and by a public" and all that follows through "or shelter)" and inserting "individuals and by private establishments that contract with the appropriate agency of the State to offer meals for such individuals at concessional prices".

(b) CONFORMING CHANGE.—Effective September 29, 1990, section 11002(f)(3) of the Homeless Eligibility Clarification Act (7 U.S.C. 2012 note) is amended by striking "subsection (b)" and inserting "subsections (a) and (b)".

SEC. 1714. CATEGORICAL ELIGIBILITY FOR RECIPIENTS OF GENERAL ASSISTANCE.

Section 5(a) (7 U.S.C. 2014(a)) is amended by—

(1) by striking "and beginning on the date of the enactment of the Food Security Act of 1985,"; and

(2) by inserting after the second sentence the following new sentence: "Except for sections 6, 16(e)(1), and the third sentence of section 3(i), households in which each member receives benefits under a State or local general assistance program that complies with standards established by the Secretary for ensuring

that the program is appropriate for categorical treatment shall be eligible to participate in the food stamp program.".

SEC. 1715. EXCLUSION OF EDUCATIONAL BENEFITS.

(a) IN GENERAL.—Section 5(d) (7 U.S.C. 2014(d)) is amended—

(1) in paragraph (3)—

(A) by inserting "(A)" after "the like"; and

(B) by striking "at an institution" and all that follows through "handicapped, and", and inserting the following: "(including the rental or purchase of any equipment, materials, and supplies required to pursue the course of study involved) at a recognized institution of post-secondary education, at a school for the handicapped, in a vocational education program, or in a program that provides for completion of a secondary school diploma or obtaining the equivalent thereof, (B) to the extent that they do not exceed the amount made available as an allowance determined by such school, institution, or program for books, supplies, transportation, and other miscellaneous personal expenses (other than living expenses), of the student incidental to attending such school, institution, or program, and (C)"; and

(2) in the proviso to clause (5)—

(A) by inserting "and" after "1988),";

(B) by striking "non-Federal"; and

(C) by striking "and no portion of any Federal" and all that follows through "mandatory school fees,".

(b) CLARIFYING AND TECHNICAL AMENDMENT.—The fourth sentence of section 5(e) is amended by inserting after "third party" the following: ", amounts made available and excluded for the expenses under subsection (d)(3),".

SEC. 1716. EXCLUSION OF CLOTHING ALLOWANCES.

Section 5(d)(5) (7 U.S.C. 2014(d)(5)) is amended by inserting after "household" the following: "and any allowance a State agency provides no more frequently than annually to families with children on the occasion of those children's entering or returning to school or child care for the purpose of obtaining school clothes (except that no such allowance shall be excluded if the State agency reduces monthly assistance to families with dependent children under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) in the month for which the allowance is provided)".

SEC. 1717. EXCESS MEDICAL EXPENSE DEDUCTION.

The last sentence of section 5(e) (7 U.S.C. 2014(e)) is amended by inserting before the period at the end the following: ", shall rely on reasonable estimates of the member's expected medical expenses for the certification period (including changes that can be reasonably anticipated based on available information about the member's medical condition, public or private medical insurance coverage, and the current verified medical expenses incurred by the member), and shall not require further reporting or verification of a change in medical expenses if such a change has been anticipated for the certification period".

SEC. 1718. BUDGETING AND MONTHLY REPORTING.

(a) In General.—Paragraph (2) of section 5(f) (7 U.S.C. 2014(f)) is amended to read as follows:

"(2)(A) Except as provided in subparagraphs (B), (C), and (D), households shall have their incomes calculated on a prospective basis, as provided in paragraph (3)(A), or, at the option of the State agency, on a retrospective basis, as provided in paragraph (3)(B).

"(B) In the case of the first month, or at the option of the State, the first and second months, during a continuous period in which a household is certified, the State agency shall determine eligibility and the amount of benefits on the basis of the household's income and other relevant circumstances in such first or second month.

"(C) Households specified in clauses (i), (ii), (iii), and (iv) of section 6(c)(1)(A) shall have their income calculated on a prospective basis, as provided in paragraph (3)(A).

"(D) Except as provided in subparagraph (B), households required to submit monthly reports of their income and household circumstances under section 6(c)(1) shall have their income calculated on a retrospective basis, as provided in paragraph (3)(B).".

(b) Calculation of Household Income.—

(1) In general.—Notwithstanding any other provision of law, during the period beginning October 1, 1988, and ending on the first day of the first month beginning at least 120 days after the date of enactment of this Act, a State agency may elect to implement the amendment to section 5(f)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(f)(2)) made by section 202(a) of the Hunger Prevention Act of 1988 (Public Law 100–435; 102 Stat. 1656) (with respect to the requirement that income be calculated on a prospective basis in the case of households that are not required to report monthly on their income and household circumstances).

(2) Payment error rates.—Notwithstanding section 16(c) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)), during the period referred to in paragraph (1), errors resulting solely from implementation by a State agency of the amendment referred to in paragraph (1) shall not be included in payment error rates determined under section 16(c) of such Act.

SEC. 1719. SIMPLIFYING RESOURCE AND ELIGIBILITY DETERMINATIONS.

Section 5 (7 U.S.C. 2014) is amended—

(1) in subsection (g)—

(A) by designating the first through fourth sentences as paragraphs (1) through (4), respectively; and

(B) by adding at the end the following new paragraph:

"(5) The Secretary shall promulgate rules by which State agencies shall develop standards for identifying kinds of resources that, as a practical matter, the household is unlikely to be able to sell for any significant return because the household's interest is relatively slight or because the cost of selling the household's interest would be relatively great. Resources so identified shall be excluded as inaccessible resources."; and

(2) in subsection (j)—

(A) by striking "a household in which all members of the household receive" and inserting "the resources of a house-

hold member who receives supplemental security income benefits under title XVI of the Social Security Act (42 U.S.C. 1382 et. seq.), aid to the aged, blind, or disabled under title I, X, XIV, or XVI of the Social Security Act (42 U.S.C. 301 et seq.) or who receives"; and

(B) by striking "have satisfied the resource limitations prescribed under subsection (g)" and inserting "be exempt for purposes of satisfying the resource limitations prescribed under subsection (g) if the resources are considered exempt for purposes of such title".

SEC. 1720. EMERGENCY FOOD FOR DISASTER VICTIMS.

Section 5(h) (7 U.S.C. 2014(h)) is amended by adding at the end the following new paragraph:

"(3)(A) The Secretary shall provide, by regulation, for emergency allotments to eligible households to replace food destroyed in a disaster. The regulations shall provide for replacement of the value of food actually lost up to a limit approved by the Secretary not greater than the applicable maximum monthly allotment for the household size.

"(B) The Secretary shall adjust reporting and other application requirements to be consistent with what is practicable under actual conditions in the affected area. In making this adjustment, the Secretary shall consider the availability of the State agency's offices and personnel and any damage to or disruption of transportation and communication facilities.".

SEC. 1721. TRANSITIONAL HOUSING.

Section 5(k)(2) (7 U.S.C. 2014(k)(2)) is amended by striking subparagraph (F) and inserting the following new subparagraph:

"(F) housing assistance payments made to a third party on behalf of a household residing in transitional housing for the homeless in an amount equal to 50 percent of the maximum shelter allowance provided to families not residing in such transitional housing under the States' plan for aid to families with dependent children approved under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); or".

SEC. 1722. EXCLUSION OF GENERAL ASSISTANCE PAYMENTS.

Section 5(k)(2) (7 U.S.C. 2014(k)(2)) is amended—

(1) by striking "or" at the end of subparagraph (F);

(2) by striking the period at the end of subparagraph (G) and inserting "; or"; and

(3) by adding at the end the following new subparagraph:

"(H) assistance provided to a third party on behalf of a household under a State or local general assistance program, or another local basic assistance program comparable to general assistance (as determined by the Secretary), if, under State law, no assistance under the program may be provided directly to the household in the form of a cash payment.".

SEC. 1723. BUDGETING AND MONTHLY REPORTING ON RESERVATIONS.

Section 6(c)(1)(A) (7 U.S.C. 2015(c)(1)(A)) is amended—

(1) by redesignating clauses (ii) and (iii) as clauses (iii) and (iv), respectively; and

(2) by inserting after clause (i) the following new clause:

"(ii) households residing on a reservation;".

SEC. 1724. PERIODIC ELIGIBILITY INFORMATION REPORTS.

Section 6(c) (7 U.S.C. 2015(c)) is amended—

(1) in paragraph (2)(C), by striking "forms approved by the Secretary" and inserting "State agency designed forms"; and

(2) in the first sentence of paragraph (3), by striking ", in accordance with standards prescribed by the Secretary, they contain sufficient information to enable the State agency to determine household eligibility and allotment levels" and inserting "they contain the information relevant to eligibility and benefit determinations that is specified by the State agency".

SEC. 1725. SELECTION OF HOUSEHOLD HEAD BY HOUSEHOLD.

Section 6(d)(1) (7 U.S.C. 2015(d)(1)) is amended by inserting after the first sentence the following new sentences: "The State agency shall allow the household to select an adult parent of children in the household as its head where all adult household members making application agree to the selection. The household may designate its head of household under this paragraph each time the household is certified for participation in the food stamp program, but may not change the designation during a certification period unless there is a change in the composition of the household.".

SEC. 1726. EXPANSION OF EMPLOYMENT AND TRAINING PROGRAM.

(a) LITERACY TRAINING.—Section 6(d)(4)(B)(v) (7 U.S.C. 2015(d)(4)(B)(v)) is amended by inserting "and literacy," after "basic skills".

(b) PROGRAMS THAT FOCUS ON SELF-EMPLOYMENT OPPORTUNITIES.—

(1) AUTHORIZATION FOR PROGRAMS.—Section 6(d)(4)(B) (7 U.S.C. 2015(d)(4)(B)) is amended—

(A) by redesignating clause (vi) as clause (vii); and

(B) by inserting after clause (v) the following new clause:

"(vi) Programs designed to increase the self-sufficiency of recipients through self-employment, including programs that provide instruction for self-employment ventures.".

(2) EXEMPTION FOR RESOURCES USED IN PROJECTS.—Section 5(g)(3) (as designated by section 1719(1) of this Act) is amended by inserting before the period at the end of the paragraph the following: "and nonliquid resources necessary to allow the household to carry out a plan for self-sufficiency approved by the State agency that constitutes adequate participation in an employment and training program under section 6(d)".

(c) EXPANDING STATE FLEXIBILITY.—Section 6(d)(4)(E) (7 U.S.C. 2015(d)(4)(E)) is amended by adding at the end the following new sentence: "Through September 30, 1995, two States may, on application to and after approval by the Secretary, give priority in the provision of services to voluntary participants (including both exempt and non-exempt participants), except that this sentence shall not excuse a State from compliance with the performance standards issued under subparagraphs (K) and (L), and the Secretary may, at the Secretary's discretion, approve additional States' requests to give such priority if the Secretary reports to Congress on the number and characteristics of voluntary participants given priority under this

sentence and such other information as the Secretary determines to be appropriate.".

(d) STATE IMPLEMENTATION OF PERFORMANCE STANDARDS.—Section 6(d)(4)(L)(iii) (7 U.S.C. 2015(d)(4)(L)(iii)) is amended by striking "April" and inserting "October".

SEC. 1727. ELIGIBILITY FOR STUDENTS.

Subsection (e) of section 6 (7 U.S.C. 2015(e)) is amended to read as follows:

"(e) No individual who is a member of a household otherwise eligible to participate in the food stamp program under this section shall be eligible to participate in the food stamp program as a member of that or any other household if the individual is enrolled at least half-time in an institution of higher education, unless the individual—

"(1) is under age 18 or is age 50 or older;

"(2) is not physically or mentally fit;

"(3) is assigned to or placed in an institution of higher education through or in compliance with the requirements of—

"(A) a program under the Job Training Partnership Act (29 U.S.C. 1501 et seq.);

"(B) an employment and training program under this section;

"(C) a program under section 236 of the Trade Act of 1974 (19 U.S.C. 2296); or

"(D) another program for the purpose of employment and training operated by a State or local government, as determined to be appropriate by the Secretary;

"(4) is employed a minimum of 20 hours per week or participating in a State or federally financed work study program during the regular school year;

"(5) is—

"(A) a parent with responsibility for the care of a dependent child under age 6; or

"(B) a parent with responsibility for the care of a dependent child above the age of 5 and under the age of 12 for whom adequate child care is not available to enable the individual to attend class and satisfy the requirements of paragraph (4);

"(6) is receiving aid to families with dependent children under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

"(7) is so enrolled as a result of participation in the work incentive program under title IV of the Social Security Act or its successor programs; or

"(8) is enrolled full-time in an institution of higher education, as determined by the institution, and is a single parent with responsibility for the care of a dependent child under age 12.".

SEC. 1728. STAGGERED ISSUANCES; RESERVATIONS.

Subsection (h) of section 7 (7 U.S.C. 2016(h)) is amended to read as follows:

"(h)(1) The State agency may establish a procedure for staggering the issuance of coupons to eligible households throughout the

month. The State agency shall establish such a procedure for eligible households residing on reservations.

"(2) Any procedure established under paragraph (1) shall not reduce the allotment of any household and shall ensure that no household experiences an interval between issuances of more than 40 days. The procedure may include issuing a household's benefits in more than one issuance.".

SEC. 1729. ELECTRONIC BENEFITS ISSUANCE.

(a) IN GENERAL.—Section 7 (7 U.S.C. 2016) is amended by adding at the end the following new subsection:

"(i)(1)(A) Any State agency may, with the approval of the Secretary, implement an on-line electronic benefit transfer system in which household benefits determined under section 8(a) are issued from and stored in a central data bank and electronically accessed by household members at the point-of-sale.

"(B) No State agency may implement or expand an electronic benefit transfer system without prior approval from the Secretary.

"(2) The Secretary shall issue final regulations effective no later than April 1, 1992, that establish standards for the approval of such a system. The standards shall include—

"(A) determining the cost-effectiveness of the system to ensure that its operational cost, including the pro rata cost of capital expenditures and other reasonable startup costs, does not exceed, in any 1 year, the operational cost of issuance systems in use prior to the implementation of the on-line electronic benefit transfer system;

"(B) defining the required level of recipient protection regarding privacy, ease of use, and access to and service in retail food stores;

"(C) the terms and conditions of participation by retail food stores, financial institutions, and other appropriate parties;

"(D) system security;

"(E) system transaction interchange, reliability, and processing speeds;

"(F) financial accountability;

"(G) the required testing of system operations prior to implementation; and

"(H) the analysis of the results of system implementation in a limited project area prior to expansion.

"(3) In the case of a system described in paragraph (1) in which participation is not optional for households, the Secretary shall not approve such a system unless—

"(A) a sufficient number of eligible retail food stores, including those stores able to serve minority language populations, have agreed to participate in the system throughout the area in which it will operate to ensure that eligible households will not suffer a significant reduction in their choice of retail food stores or a significant increase in the cost of food or transportation to participating food stores; and

"(B) any special equipment necessary to allow households to purchase food with the benefits issued under this Act is operational—

"(i) in the case of a participating retail food store in which coupons are used to purchase 15 percent or more of the total dollar amount of food sold by the store (as determined by the Secretary), at all registers in the store; and

"(ii) in the case of other participating stores, at a sufficient number of registers to provide service that is comparable to service provided individuals who are not members of food stamp households, as determined by the Secretary.

"(4) Administrative costs incurred in connection with activities under this subsection shall be eligible for reimbursement in accordance with section 16, subject to the limitations in section 16(g).

"(5) The Secretary shall periodically inform State agencies of the advantages of using electronic benefit systems to issue benefits in accordance with this subsection in lieu of issuing coupons to households.

"(6) This subsection shall not diminish the authority of the Secretary to conduct projects to test automated or electronic benefit delivery systems under section 17(f).".

(b) CONFORMING AND TECHNICAL AMENDMENT.—Section 17(f) is amended by striking "(f)(1)" and inserting "(f)".

SEC. 1730. MINIMUM BENEFIT.

Section 8(a) (7 U.S.C. 2017(a)) is amended by inserting before the final period ", and shall be adjusted on each October 1 to reflect the percentage change in the cost of the thrifty food plan without regard to the special adjustments under section 3(o) for the 12-month period ending the preceding June, with the result rounded to the nearest $5".

SEC. 1731. ISSUANCE OF AGGREGATE ALLOTMENTS.

Section 17(a) (7 U.S.C. 2026(a)) is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end the following new paragraph:

"(2) The Secretary may, on application, permit not more than two State agencies to establish procedures that allow households whose monthly food stamp benefits do not exceed $20, at their option, to receive, in lieu of their food stamp benefits for the initial period under section 8 and their regular allotment in following months, and at intervals of up to 3 months thereafter, aggregate allotments not to exceed $60 and covering not more than 3 months' benefits. The allotments shall be provided in accordance with paragraphs (3) and (9) of section 11(e) (except that no household shall begin to receive combined allotments under this section until it has complied with all applicable verification requirements of section 11(e)(3)) and (with respect to the first aggregate allotment so issued) within 40 days of the last coupon issuance.".

SEC. 1732. STATE FLEXIBILITY IN ASSISTING HOUSEHOLDS.

Paragraph (3) of section 8(c) (7 U.S.C. 2017(c)(3)) is amended to read as follows:

"(3) A State agency—

"(A) in the case of a household that is not entitled in the month in which it applies to expedited service under section 11(e)(9), may provide that an eligible household applying after the 15th day of the month shall receive, in lieu of its initial al-

lotment and its regular allotment for the following month, an allotment that is the aggregate of the initial allotment and the first regular allotment, which shall be provided in accordance with paragraph (3) of section 11(e); and

"(B) in the case of a household that is entitled in the month in which it applies to expedited service under section 11(e)(9), shall provide that an eligible household applying after the 15th day of the month shall receive, in lieu of its initial allotment and its regular allotment for the following month, an allotment that is the aggregate of the initial allotment and the first regular allotment, which shall be provided in accordance with paragraphs (3) and (9) of section 11(e).".

SEC. 1733. PERIODIC REAUTHORIZATION OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.

Section 9(a) (7 U.S.C. 2018(a)) is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end the following new paragraph:

"(2) The Secretary is authorized to issue regulations providing for a periodic reauthorization of retail food stores and wholesale food concerns.".

SEC. 1734. AUTHORIZATION OF WHOLESALE FOOD CONCERNS.

Section 9(b)(1) (7 U.S.C. 2018(b)(1)) is amended by inserting after the first sentence the following new sentence: "No co-located wholesale-retail food concern may be authorized to accept and redeem coupons as a retail food store, unless (A) the concern does a substantial level of retail food business, or (B) the Secretary determines that failure to authorize such a food concern as a retail food store would cause hardship to food stamp households.".

SEC. 1735. REQUIRED SUBMISSION OF CERTAIN IDENTIFYING INFORMATION BY RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.

(a) In General.—Section 205(c)(2)(C) of the Social Security Act (42 U.S.C. 405(c)(2)(C)) is amended—

(1) by redesignating clauses (ii), (iii), and (iv) as clauses (iv), (v), and (vi), respectively;

(2) by redesignating subclauses (I) and (II) of clause (i) as clauses (i) and (ii), respectively; and

(3) by inserting after clause (ii) (as redesignated) the following new clause:

"(iii) In the administration of section 9 of the Food Stamp Act of 1977 (7 U.S.C. 2018) involving the determination of the qualifications of applicants under such Act, the Secretary of Agriculture may require each applicant retail store or wholesale food concern to furnish to the Secretary of Agriculture the social security account number of each individual who is an officer of the store or concern and, in the case of a privately owned applicant, furnish the social security account numbers of the owners of such applicant. No officer or employee of the Department of Agriculture shall have access to any such number for any purpose other than the establishment and maintenance of a list of the names and social security account numbers of such individuals for use in determining those applicants who have been previously sanctioned or convicted under section 12 or 15 of such Act (7 U.S.C. 2021 or 2024). The Secretary of Agriculture shall restrict, to the satisfaction of the Secretary of Health and

Human Services, access to social security account numbers obtained pursuant to this clause only to officers and employees of the United States whose duties or responsibilities require access for the administration or enforcement of the Food Stamp Act of 1977. The Secretary of Agriculture shall provide such other safeguards as the Secretary of Health and Human Services determines to be necessary or appropriate to protect the confidentiality of the social security account numbers.".

(b) CONFIDENTIALITY OF SOCIAL SECURITY ACCOUNT NUMBERS.—Section 205(c)(2)(C) of such Act (as amended by subsection (a) of this section) is further amended by adding at the end the following new clause:

"(vii)(I) Social security account numbers and related records that are obtained or maintained by authorized persons pursuant to any provision of law enacted on or after October 1, 1990, shall be confidential, and no authorized person shall disclose any such social security account number or related record.

"(II) Paragraphs (1), (2), and (3) of section 7213(a) of the Internal Revenue Code of 1986 shall apply with respect to the unauthorized willful disclosure to any person of social security account numbers and related records obtained or maintained by an authorized person pursuant to a provision of law enacted on or after October 1, 1990, in the same manner and to the same extent as such paragraphs apply with respect to unauthorized disclosures of return and return information described in such paragraphs. Paragraph (4) of section 7213(a) of such Code shall apply with respect to the willful offer of any item of material value in exchange for any such social security account number or related record in the same manner and to the same extent as such paragraph applies with respect to offers (in exchange for any return or return information) described in such paragraph.

"(III) For purposes of this clause, the term 'authorized person' means an officer or employee of the United States, an officer or employee of any State, political subdivision of a State, or agency of a State or political subdivision of a State, and any other person (or officer or employee thereof), who has or had access to social security account numbers or related records pursuant to any provision of law enacted on or after October 1, 1990. For purposes of this subclause, the term 'officer or employee' includes a former officer or employee.

"(IV) For purposes of this clause, the term 'related record' means any record, list, or compilation that indicates, directly or indirectly, the identity of any individual with respect to whom a request for a social security account number is maintained pursuant to this clause.".

(c) REQUIRED SUBMISSION OF EMPLOYER IDENTIFICATION NUMBERS.—Section 6109 of the Internal Revenue Code of 1986 (relating to identifying numbers) is amended by adding at the end the following new subsection:

"(f) ACCESS TO EMPLOYER IDENTIFICATION NUMBERS BY SECRETARY OF AGRICULTURE FOR PURPOSES OF FOOD STAMP ACT OF 1977.—

"(1) IN GENERAL.—In the administration of section 9 of the Food Stamp Act of 1977 (7 U.S.C. 2018) involving the determination of the qualifications of applicants under such Act, the

Secretary of Agriculture may, subject to this subsection, require each applicant retail store or wholesale food concern to furnish to the Secretary of Agriculture the employer identification number assigned to the store or concern pursuant to this section. The Secretary of Agriculture shall not have access to any such number for any purpose other than the establishment and maintenance of a list of the names and employer identification numbers of the stores and concerns for use in determining those applicants who have been previously sanctioned or convicted under section 12 or 15 of such Act (7 U.S.C. 2021 or 2024).

"(2) SAFEGUARDS.—The Secretary of Agriculture shall restrict, to the satisfaction of the Secretary of the Treasury, access to employer identification numbers obtained pursuant to paragraph (1) only to officers and employees of the United States whose duties or responsibilities require access for the administration or enforcement of the Food Stamp Act of 1977. The Secretary of Agriculture shall provide such other safeguards as the Secretary of the Treasury determines to be necessary or appropriate to protect the confidentiality of the employer identification numbers.

"(3) CONFIDENTIALITY AND NONDISCLOSURE RULES.—Employer identification numbers that are obtained or maintained by the Secretary of Agriculture pursuant to this subsection shall be confidential, and no officer or employee of the United States who has or had access to the social security account numbers shall disclose any such employer identification number obtained thereby in any manner. For purposes of this paragraph, the term 'officer or employee' includes a former officer or employee.

"(4) SANCTIONS.—Paragraphs (1), (2), and (3) of section 7213(a) shall apply with respect to the unauthorized willful disclosure to any person of employer identification numbers maintained by the Secretary of Agriculture pursuant to this subsection in the same manner and to the same extent as such paragraphs apply with respect to unauthorized disclosures of return and return information described in such paragraphs. Paragraph (4) of section 7213(a) shall apply with respect to the willful offer of any item of material value in exchange for any such employer identification number in the same manner and to the same extent as such paragraph applies with respect to offers (in exchange for any return or return information) described in such paragraph.".

SEC. 1736. SIMPLIFIED APPLICATION REQUIREMENTS.

Section 11(e)(2) (7 U.S.C. 2020(e)(2)) is amended—

(1) in the third sentence, by striking "instructions" and inserting "(on or near its front cover) explanations"; and

(2) by striking the sentence beginning "One adult member" and inserting the following new sentences: "The State agency shall require that an adult representative of each household that is applying for food stamp benefits shall certify in writing, under penalty of perjury, that the information contained in the application is true and that all members of the household are either citizens or are aliens eligible to receive food stamps under

section 6(f). The signature of the adult under this section shall be deemed sufficient to comply with any provision of Federal law requiring household members to sign the application or statements in connection with the application process.".

SEC. 1737. ESTIMATES IN LIEU OF VERIFICATION FOR HOMELESS HOUSEHOLDS WITH SHELTER COSTS.

Section 11(e)(3)(E) (7 U.S.C. 2020(e)(3)(E)) is amended by inserting before the final semicolon a period and the following: "Under rules prescribed by the Secretary, a State agency shall develop standard estimates of the shelter expenses that may reasonably be expected to be incurred by households in which all members are homeless but that are not receiving free shelter throughout the month. The Secretary may issue regulations to preclude the use of the estimates for households with extremely low shelter costs for whom the following sentence shall not apply. A State agency shall use the estimates in determining the allotments of the households, unless a household verifies higher expenses".

SEC. 1738. RURAL ISSUANCE PROCEDURES.

Section 11(e) (7 U.S.C. 2020(e)) is amended—

(1) by striking "and" at the end of paragraph (21);

(2) by striking the period at the end of paragraph (22) and inserting a semicolon;

(3) by striking "and" at the end of paragraph (23);

(4) by striking the period at the end of paragraph (24) and inserting "; and"; and

(5) by adding at the end the following new paragraph:

"(25) a procedure for designating project areas or parts of project areas that are rural and in which low-income persons face substantial difficulties in obtaining transportation. The State agency shall designate the areas according to procedures approved by the Secretary. In each area so designated, the State agency shall provide for the issuance of coupons by mail to all eligible households in the area, except that any household with mail losses exceeding levels established by the Secretary shall not be entitled to such a mailing and the State agency shall not be required to issue coupons by mail in those localities within such area where the mail loss rates exceed standards set by the Secretary.".

SEC. 1739. NUTRITION EDUCATION.

Section 11(f) (7 U.S.C. 2020(f)) is amended by striking the first sentence and inserting the following new sentence: "To encourage the purchase, preparation, and consumption of nutritious foods, the Secretary is authorized to assign responsibility for the nutrition education of individuals eligible for food stamps, or the program for the distribution of commodities on reservations, to the Cooperative Extension Service, in cooperation with the Food and Nutrition Service.".

SEC. 1740. FOOD STAMP APPLICATION FOR GENERAL ASSISTANCE HOUSEHOLDS.

Section 11(i)(3) (7 U.S.C. 2020(i)(3)) is amended—

(1) by inserting after "State or local general assistance grant" the following: "in a State that has a single State-wide general assistance application form"; and

(2) by inserting before the semicolon at the end the following: ", and households applying for a local general assistance grant in a local jurisdiction in which the agency administering the general assistance program also administers the food stamp program shall be provided an application for participation in the food stamp program at the time of their application for general assistance, along with information concerning how to apply for the food stamp program".

SEC. 1741. APPLICANTS FOR SUPPLEMENTAL SECURITY INCOME.

Section 11(j)(1) (7 U.S.C. 2020(j)(1)) is amended by inserting "supplemental security income or" after "recipient of".

SEC. 1742. AUDIT OF SIMPLIFIED FOOD STAMP APPLICATIONS AT SOCIAL SECURITY ADMINISTRATION OFFICES.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct an audit of the programs established under subsections (i) and (j) of section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020) under which an applicant for or recipient of social security benefits may make or be provided a simple application to participate in the food stamp program at social security offices, including an examination of whether—

(1) the programs are operating effectively; and

(2)(A) the program for recipients of supplemental security income established under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.) should be expanded to include all applicants for and recipients of social security benefits; or

(B) a joint application is feasible for benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) and supplemental security income benefits.

(b) REPORT.—Not later than December 31, 1991, the Comptroller General shall deliver a report on the results of the study required by this section to the Committee on Agriculture of the House of Representatives, the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Special Committee on Aging of the Senate.

SEC. 1743. PERMANENT DISQUALIFICATION.

Section 12(b)(3) (7 U.S.C. 2021(b)(3)) is amended—

(1) by striking "or" at the end of subparagraph (A);

(2) in subparagraph (B)—

(A) by inserting after "$20,000" the following: "for each violation (except that the amount of civil money penalties imposed during a 2-year period may not exceed $40,000)";

(B) by inserting after "substantial evidence" the following: "(including evidence that neither the ownership nor management of the store or food concern was aware of, approved, benefited from, or was involved in the conduct or approval of the violation)"; and

(C) by striking the period at the end of the subparagraph and inserting "; or"; and

(3) by adding at the end the following new subparagraph:

"(C) a finding of the sale of firearms, ammunition, explosives, or controlled substances (as the term is defined in sec-

tion 802 of title 21, United States Code) for coupons, except that the Secretary shall have the discretion to impose a civil money penalty of up to $20,000 for each violation (except that the amount of civil money penalties imposed during a 2-year period may not exceed $40,000) in lieu of disqualification under this subparagraph if the Secretary determines that there is substantial evidence (including evidence that neither the ownership nor management of the store or food concern was aware of, approved, benefited from, or was involved in the conduct or approval of the violation) that the store or food concern had an effective policy and program in effect to prevent violations of this Act.".

SEC. 1744. FINES FOR ACCEPTANCE OF LOOSE COUPONS.

Section 12(e) (7 U.S.C. 2021(e)) is amended by adding at the end the following new paragraph:

"(3) The Secretary may impose a fine against any retail food store or wholesale food concern that accepts food coupons that are not accompanied by the corresponding book cover, other than the denomination of coupons used for making change as specified in regulations issued under this Act. The amount of any such fine shall be established by the Secretary and may be assessed and collected in accordance with regulations issued under this Act separately or in combination with any fiscal claim established by the Secretary. The Attorney General of the United States may institute judicial action in any court of competent jurisdiction against the store or concern to collect the fine.".

SEC. 1745. FINES FOR UNAUTHORIZED THIRD PARTIES THAT ACCEPT FOOD STAMPS.

Section 12 (7 U.S.C. 2021) is amended by adding at the end the following new subsection:

"(f) The Secretary may impose a fine against any person not approved by the Secretary to accept and redeem food coupons who violates any provision of this Act or a regulation issued under this Act, including violations concerning the acceptance of food coupons. The amount of any such fine shall be established by the Secretary and may be assessed and collected in accordance with regulations issued under this Act separately or in combination with any fiscal claim established by the Secretary. The Attorney General of the United States may institute judicial action in any court of competent jurisdiction against the person to collect the fine.".

SEC. 1746. FRAUD CLAIMS REPAYMENT.

The last sentence of section 13(b)(1)(A) (7 U.S.C. 2022(b)(1)(A)) is amended by striking "within thirty days" and inserting "on the date of receipt (or, if the date of receipt is not a business day, on the next business day)".

SEC. 1747. COMPUTER FRAUD PENALTIES.

(a) USE OF AN ACCESS DEVICE.—The first sentence of section 15(b)(1) (7 U.S.C. 2024(b)(1)) is amended—

(1) by striking "or authorization cards in any manner not authorized by" and inserting ", authorization cards, or access devices in any manner contrary to";

(2) by inserting after "a value of $100 or more," the following: "or if the item used, transferred, acquired, altered, or possessed is an access device that has a value of $100 or more,"; and

(3) by inserting after "a value of less than $100," the following: "or if the item used, transferred, acquired, altered, or processed is an access device that has a value of less than $100,".

(b) DEFINITION.—Section 3 (7 U.S.C. 2012) is amended by adding at the end the following new subsection:

"(u) 'Access device' means any card, plate, code, account number, or other means of access that can be used, alone or in conjunction with another access device, to obtain payments, allotments, benefits, money, goods, or other things of value, or that can be used to initiate a transfer of funds under this Act.".

(c) CONFORMING CHANGE.—The first sentence of section 15(g) (7 U.S.C. 2024(g)) is amended by striking "or authorization cards in any manner not authorized by" and inserting ", authorization cards or access devices, or anything of value obtained by use of an access device, in any manner contrary to".

SEC. 1748. UNLAWFUL USE OF COUPONS IN LAUNDERING MONETARY INSTRUMENTS.

The first sentence of section 15(b)(1) (7 U.S.C. 2024(b)(1)) (as amended by section 1747) is further amended—

(1) by inserting after "Act shall," the following: "if such coupons, authorization cards, or access devices are of a value of $5,000 or more, be guilty of a felony and shall be fined not more than $250,000 or imprisoned for not more than twenty years, or both, and shall,"; and

(2) by inserting after "$100 or more," each place that such appears the following: "but less than $5,000,".

SEC. 1749. COUPON TRAFFICKING.

Section 15(c) (7 U.S.C. 2024(c)) is amended by striking "$10,000" each place it appears and inserting "$20,000".

SEC. 1750. RETENTION OF FUNDS OR ALLOTMENTS RECOVERED OR COLLECTED BY STATES.

The proviso of the first sentence of section 16(a) (7 U.S.C. 2025(a)) is amended—

(1) by striking "50 per centum" and inserting "25 percent during the period beginning October 1, 1990, and ending September 30, 1995, and 50 percent thereafter"; and

(2) by striking "25 per centum" and inserting "10 percent during the period beginning October 1, 1990, and ending September 30, 1995, and 25 percent thereafter".

SEC. 1751. QUALITY CONTROL SANCTIONS.

(a) IN GENERAL.—No disallowance or other similar action shall be applied to or collected from any State for any of the fiscal years 1983, 1984, or 1985 under section 16(c) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)) or any predecessor statutory or regulatory provision relating to disallowances or other similar actions for erroneous issuances made in carrying out a State plan under such Act, except for amounts to be paid or collected after the date of enactment of this Act pursuant to settlement agreements which do not provide for payment adjustments based on future changes in law.

(b) APPLICATION.—Subsection (a) shall also apply to disallowances described in subsection (a) with respect to which an administrative or judicial appeal is pending on the date of enactment of this Act, including any such disallowance that has been collected before such date.

SEC. 1752. FEDERAL MATCH FOR AUTOMATION.

(a) IN GENERAL.—Section 16(g) (7 U.S.C. 2025(g)) is amended—

(1) by striking "Effective October 1, 1980, the" and inserting "The"; and

(2) by striking "75 per centum" and inserting "63 percent effective on October 1, 1991".

(b) APPLICATION.—The amendment made by subsection (a)(2) shall not apply to proposals for automatic data processing and information retrieval systems under section 16(g) of the Food Stamp Act of 1977 that were approved by the Secretary of Agriculture prior to the date of enactment of this Act.

SEC. 1753. EMPLOYMENT AND TRAINING ALLOCATIONS.

Paragraph (1) of section 16(h) (7 U.S.C. 2025(h)(1)) is amended to read as follows:

"(1)(A) The Secretary shall allocate among the State agencies in each fiscal year, from funds appropriated for the fiscal year under section 18(a)(1), the amount of $75,000,000 for each of the fiscal years 1991 through 1995 to carry out the employment and training program under section 6(d)(4), except as provided in paragraph (3), during the fiscal year.

"(B) In making the allocation required by subparagraph (A) for each of the fiscal years 1992 through 1995, the Secretary shall allocate $15,000,000 among the States based on State agency performance under section 6(d)(4), as determined by the Secretary.

"(C) In making the allocation required by subparagraph (A) for fiscal year 1992, the Secretary shall allocate nonperformance funding of $60,000,000 among the States in a manner such that each State is allocated funds equal to—

"(i) a funding level determined under the nonperformance funding allocation formula used for fiscal year 1991;

"(ii) increased by one-half of the difference between such funding level and an amount, if larger, based on the State's proportion of the number of individuals registered for work under section 6(d)(4); or

"(iii) decreased by one-half of the difference between such funding level and such amount, if such amount is smaller.

"(D) In making the allocation required by subparagraph (A) for each of the fiscal years 1993 through 1995, the Secretary shall allocate nonperformance funding of $60,000,000 among the States based on each State's proportion of the number of individuals registered for work under section 6(d)(4).

"(E) Notwithstanding subparagraphs (C) and (D), the Secretary shall—

"(i) for fiscal year 1992, ensure that each State is allocated at least $50,000 by reducing, to the extent necessary, the funds allocated to States (other than States allocated less than $50,000) whose funding level has been increased under subparagraph (C); and

"(ii) for each of the fiscal years 1993 through 1995, ensure that each State is allocated at least $50,000 by reducing, to the extent necessary, the funds allocated to those States allocated more than $50,000.

"(F) Each such State's share of such reduction under subparagraph (E) shall represent its proportion of individuals registered for work under section 6(d)(4) in all States subject to the reduction.".

SEC. 1754. EXTENSION OF PILOT PROJECTS.

The last sentence of section 17(b)(1) (7 U.S.C. 2026(b)(1)) is amended by striking "1990" and inserting "1995".

SEC. 1755. SALES TAXES IN CASH-OUT DEMONSTRATION PROJECTS.

Section 17(b)(1) (7 U.S.C. 2026(b)(1)) is amended—

(1) by inserting "(A)" after the paragraph designation; and

(2) by adding at the end the following new subparagraph:

"(B)(i) No waiver or demonstration program shall be approved under this Act after the date of enactment of this subparagraph unless—

"(I) any household whose food assistance is issued in a form other than coupons has its allotment increased to the extent necessary to compensate for any State or local sales tax that may be collected in all or part of the area covered by the demonstration project, the tax on purchases of food by any such household is waived, or the Secretary determines on the basis of information provided by the State agency that the increase is unnecessary on the basis of the limited nature of the items subject to the State or local sales tax; and

"(II) the State agency conducting the demonstration project pays the cost of any increased allotments.

"(ii) Clause (i) shall not apply if a waiver or demonstration project already provides a household with assistance that exceeds that which the household would otherwise be eligible to receive by more than the estimated amount of any sales tax on the purchases of food that would be collected from the household in the project area in which the household resides.".

SEC. 1756. ENHANCED WAIVER AUTHORITY FOR DEMONSTRATION PROJECTS.

Section 17(b) (7 U.S.C. 2026(b)) is amended—

(1) in the second sentence of paragraph (1)(A) (as amended by section 1755(1) of this Act), by inserting after "eligible households" the following: "or a project conducted under paragraph (3)"; and

(2) by adding at the end the following new paragraph:

"(3)(A) The Secretary may conduct demonstration projects to test improved consistency or coordination between the food stamp employment and training program and the Job Opportunities and Basic Skills program under title IV of the Social Security Act (42 U.S.C. 601 et seq.).

"(B) Notwithstanding paragraph (1), the Secretary may, as part of a project authorized under this paragraph, waive requirements under section 6(d) to permit a State to operate an employment and training program for food stamp recipients on the same terms and conditions under which the State operates its Job Opportunities and Basic Skills program for recipients of aid to families with depend-

ent children under part F of title IV of the Social Security Act (42 U.S.C. 681 et seq.). Any work experience program conducted as part of the project shall be conducted in conformity with section 482(f) of such Act (42 U.S.C. 682(f)).

"(C) A State seeking such a waiver shall provide assurances that the resulting employment and training program shall meet the requirements of subsections (a)(19) and (g) of section 402 of such Act (42 U.S.C. 602) (but not including the provision of transitional benefits under clauses (ii) through (vii) of section 402(g)(1)(A) and sections 481 through 487 of such Act (42 U.S.C. 681 through 687). Each reference to 'aid to families with dependent children' in such sections shall be deemed to be a reference to food stamps for purposes of the demonstration project.

"(D) Notwithstanding the other provisions of this paragraph, participation in an employment and training activity in which food stamp benefits are converted to cash shall occur only with the consent of the participant.

"(E) For the purposes of any project conducted under this paragraph, the provisions of this Act affecting the rights of recipients may be waived to the extent necessary to conform to the provisions of section 402, and sections 481 through 487, of the Social Security Act.

"(F) At least 60 days prior to granting final approval of a project under this paragraph, the Secretary shall publish the terms and conditions for any demonstration project conducted under the paragraph for public comment in the Federal Register and shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(G) Waivers may be granted under this paragraph to conduct projects at any one time in a total of up to 60 project areas (or parts of project areas), as such areas are defined in regulations in effect on January 1, 1990.

"(H) A waiver for a change in program rules may be granted under this paragraph only for a demonstration project that has been approved by the Secretary, that will be evaluated according to criteria prescribed by the Secretary, and that will be in operation for no more than 4 years.".

SEC. 1757. DEMONSTRATION PROJECTS FOR VEHICLE EXCLUSION LIMIT.

Section 17 (7 U.S.C. 2026) is amended by adding at the end the following new subsection:

"(h) The Secretary shall conduct a sufficient number of demonstration projects to evaluate the effects, in both rural and urban areas, of including in financial resources under section 5(g) the fair market value of licensed vehicles to the extent the value of each vehicle exceeds $4,500, but excluding the value of—

"(1) any licensed vehicle that is used to produce earned income, necessary for transportation of an elderly or physically disabled household member, or used as the household's home; and

"(2) one licensed vehicle used to obtain, continue, or seek employment (including travel to and from work), used to pursue

employment-related education or training, or used to secure food or the benefits of the food stamp program.".

SEC. 1758. DEMONSTRATION PROJECTS FOR AFDC/FOOD STAMP SIMPLIFICATION.

Section 17 (7 U.S.C. 2026) (as amended by section 1757 of this Act) is further amended by adding at the end the following new subsection:

"(i)(1) The Secretary may conduct four demonstration projects, in both urban and rural areas, under which households in which each member receives benefits under a State plan approved under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) (hereafter in this subsection referred to as an 'eligible household') shall be issued monthly allotments following the rules and procedures of programs under part A of title IV of the Social Security Act, and without regard to the eligibility, benefit, and administrative rules established under this Act other than those terms and conditions specified under this subsection or established by the Secretary to ensure program integrity.

"(2) In carrying out the demonstration projects, the Secretary shall ensure the following:

"(A) The third sentence of section 3(i), subsections (b) and (d)(2) of section 6, the first sentence of section 6(c), paragraphs (1)(B), (3), (4), and (9) of section 11(e), and all applicable provisions of this Act dealing with the treatment of homeless individuals and migrant and seasonal farm worker households shall apply.

"(B) Assistance under the food stamp program shall be furnished to all eligible households who make application for assistance by providing any information that is needed by the State agency to determine the correct monthly allotment and that has not been provided as part of the household's application for assistance under part A of title IV of the Social Security Act.

"(C) Eligible households' monthly allotments shall be calculated under section 8(a), except that a household's income shall be determined in accordance with subparagraphs (D) and (E). The allotments shall be provided retroactive to the date of application.

"(D) For purposes of determining monthly allotments under this subsection, household income shall be the benefit provided under part A of title IV of the Social Security Act and the amount used to determine the household's benefit under such part (not including any amount disregarded for dependent care expenses), except that the amount shall be calculated without regard to section 402(a)(7)(C) of such Act (42 U.S.C. 602(a)(7)(C)) and shall not include nonrecurring lump-sum income and income deemed or allocated to the household under such part.

"(E) In computing household income for purposes of determining monthly allotments, all eligible households shall be allowed the standard, earned income, excess shelter, and medical expense deductions provided under section 5(e) in lieu of any earned income disregards provided under section 402(a)(8) of the Social Security Act (42 U.S.C. 602(a)(8)). Alternatively, the Sec-

retary may approve demonstration projects under which households without earned income are allowed such standard, excess shelter, and medical expense deductions, and household income for households with earned income is computed using such deductions and the earned income disregards provided under section 402(a)(8) of the Social Security Act to the extent that the Secretary determines they are consistent with the purposes of the demonstration projects required under this subsection.

"(F) Uninterrupted food stamp assistance shall be provided to households who become ineligible to receive the assistance under this subsection but are determined otherwise eligible for food stamp assistance and to households receiving food stamp assistance other than under this subsection who are determined eligible under this subsection.

"(G) Any other requirements and administrative procedures equivalent to those applicable under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) may be used in implementing the demonstration projects required under this subsection, if the Secretary determines that the requirements or procedures further the purposes of this subsection and do not undermine program integrity.

"(3) In establishing the projects, the Secretary shall solicit proposals from, and consult with, interested State and local agencies and shall consult with the Secretary of Health and Human Services on waivers of Federal rules under part A of title IV of the Social Security Act that would assist in carrying out the projects required under this subsection.

"(4) Not later than six months after termination of any project, the Secretary shall submit a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate evaluating the results of the demonstration projects established under this subsection, including evaluations of the effects on recipients and administrators.".

SEC. 1759. GRANTS TO IMPROVE FOOD STAMP PARTICIPATION.

Section 17 (7 U.S.C. 2026) (as amended by section 1758 of this Act) is further amended by adding at the end the following new subsection:

"(j)(1)(A) Subject to the availability of funds specifically appropriated to carry out this subsection and subject to the other provisions of this subsection, during each of fiscal years 1992 through 1995, the Secretary shall make grants competitively awarded to public or private nonprofit organizations to fund food stamp outreach demonstration projects (hereinafter in this subsection referred to as the 'projects') and related evaluations in areas of the United States to increase participation by eligible low-income households in the food stamp program. The total amount of grants provided during a fiscal year may not exceed $5,000,000. Funds appropriated to carry out this subsection shall be used in the year during which the funds are appropriated. Not more than 20 percent of the funds appropriated to carry out this subsection shall be used for evaluations.

"(B) The Secretary shall make a grant under this paragraph only to an entity that demonstrates to the Secretary that the entity is able to conduct the outreach functions described in this subsection.

"(2) Outreach projects under this subsection shall be targeted toward members of rural, elderly, and homeless populations, low-income working families with children, and non-English speaking minorities (hereinafter in this subsection collectively referred to as 'target populations').

"(3)(A) The Secretary shall appoint an advisory panel (hereinafter in this subsection referred to as the 'panel') composed of representatives of the target populations as well as individuals with expertise in the area of program evaluation. The panel shall not be subject to the Federal Advisory Committee Act (5 U.S.C. App. 2).

"(B) The Secretary shall select recipients for grants, taking into consideration any recommendations from the panel concerning criteria that should be used in selecting recipients, to carry out projects under this subsection based on the appropriateness of the methods proposed for the projects to reach target populations. Appropriate methods shall include—

"(i) the production of electronic media campaigns (with the total amount allocated for the campaigns in the aggregate not to exceed 15 percent of the total amount of funds specified in paragraph (1)(A));

"(ii) utilization of local outreach workers and volunteers;

"(iii) development of solutions to transportation and access problems;

"(iv) in-service training for those capable of referring households to the program;

"(v) community presentations and education;

"(vi) pre-screening assistance for program eligibility;

"(vii) individualized client assistance;

"(viii) consultation and referral for benefit appeals; and

"(ix) recruitment of authorized representatives for applicants unable to appear for certification or at authorized food stores.

"(C) In selecting grant recipients, the Secretary shall take into consideration the ability of the applicants to produce useful data for evaluation purposes.

"(D) In selecting grant recipients from among applicant public agencies, preference shall be given to those applicants that propose to involve nonprofit organizations in projects to be carried out with the grants.

"(E) The Secretary shall provide at least one grant equal to 50 percent of the cost of the development of outreach materials aimed at the general food stamp eligible population as well as the specific target populations, including written materials and public service announcements, so that the materials may be used or adopted by other grant recipients, as appropriate. To be eligible to receive any such grant, a recipient shall provide matching funds equal to 50 percent of the cost of the development of materials described in the preceding sentence. In carrying out this subparagraph, the Secretary shall give preference to applicants that demonstrate the ability to disseminate the materials through other public and private nonprofit organizations. Not to exceed $500,000 of the funds provided under this subsection for any fiscal year shall be used for the grant.

"(4)(A) The Secretary shall evaluate a sufficient number of projects to be able to determine the effectiveness of the projects and the techniques employed by the projects with respect to—

"(i) success in reducing barriers to participation;

"(ii) increasing overall program participation including participation among target populations;

"(iii) administrative effectiveness;

"(iv) program efficiency; and

"(v) adequacy of administrative resource levels to conduct the activities effectively.

"(B) The Secretary shall provide an interim report on the results of the evaluation carried out under subparagraph (A) not later than 1 year after a sufficient number of projects have begun and a final report not later than 3 years after a sufficient number of projects have begun to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(C) The Secretary shall also examine and report on previous research regarding reasons for nonparticipation and effective methods to conduct outreach and to reduce barriers to participation.

"(5) The Secretary shall—

"(A) within 180 days after funds are appropriated, publish such notice as may be necessary to implement this subsection;

"(B) accept proposals from organizations for projects under this subsection for 90 days following the date the notice is published; and

"(C) begin to award grants under this subsection beginning no later than 180 days following the date the notice is published.".

SEC. 1760. REAUTHORIZATION OF FOOD STAMP PROGRAM.

Section 18 (7 U.S.C. 2027) is amended—

(1) in subsection (a)(1)—

(A) by striking the first two sentences and inserting the following new sentence: "To carry out this Act, there are authorized to be appropriated such sums as are necessary for each of the fiscal years 1991 through 1995."; and

(B) in the last sentence, by striking "reductions in the value of allotments issued to households certified to participate in the food stamp program will be necessary under subsection (b) of this section" and inserting "supplemental appropriations will be needed to support the operation of the program through the end of the fiscal year"; and

(2) in subsection (b), by striking "amount authorized in subsection (a)(1)".

SEC. 1761. NUTRITION EDUCATION IMPROVEMENTS.

Section 18(a) (7 U.S.C. 2027(a)) (as amended by section 1760 of this Act) is amended—

(1) in the second sentence of subsection (a)(1), by inserting before the period at the end the following: ", subject to paragraph (3)"; and

(2) by adding at the end the following new paragraph:

"(3)(A) Of the amounts made available under the second sentence of paragraph (1), not more than $2,000,000 in any fiscal year may be used by the Secretary to make 2-year competitive grants that will—

"(i) enhance interagency cooperation in nutrition education activities; and

"(ii) develop cost effective ways to inform people eligible for food stamps about nutrition, resource management, and community nutrition education programs, such as the expanded food and nutrition education program.

"(B) The Secretary shall make awards under this paragraph to one or more State cooperative extension services (as defined in section 1404(5) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(5))) who shall administer the grants in coordination with other State or local agencies serving low-income people.

"(C) Each project shall include an evaluation component and shall develop an implementation plan for replication in other States.

"(D) The Secretary shall report to the appropriate committees of Congress on the results of the projects and shall disseminate the results through the cooperative extension service system and to State human services and health department offices, local food stamp program offices, and other entities serving low-income households.".

SEC. 1762. NUTRITION ASSISTANCE PROGRAM IN PUERTO RICO.

(a) POLICY OF CONGRESS.—It is the policy of Congress that citizens of the United States who reside in the Commonwealth of Puerto Rico should be safeguarded against hunger and treated on an equitable and fair basis with other citizens under Federal nutritional programs.

(b) FUNDING LEVELS.—Subparagraph (A) of section 19(a)(1) (7 U.S.C. 2028(a)(1)(A)) is amended to read as follows:

"(A) From the sums appropriated under this Act, the Secretary shall, subject to the provisions of this section, pay to the Commonwealth of Puerto Rico $974,000,000 for fiscal year 1991, $1,013,000,000 for fiscal year 1992, $1,051,000,000 for fiscal year 1993, $1,091,000,000 for fiscal year 1994, and $1,133,000,000 for fiscal year 1995, to finance 100 percent of the expenditures for food assistance provided to needy persons and 50 percent of the administrative expenses related to the provision of the assistance.".

(c) STUDY OF NUTRITIONAL NEEDS OF PUERTO RICANS.—The Comptroller General of the United States shall conduct a study of—

(1) the nutritional needs of the citizens of the Commonwealth of Puerto Rico, including—

(A) the adequacy of the nutritional level of the diets of members of households receiving assistance under the nutrition assistance program and other households not currently receiving the assistance;

(B) the incidence of inadequate nutrition among children and the elderly residing in the Commonwealth;

(C) the nutritional impact of restoring the level of nutritional assistance provided to households in the Commonwealth to the level of the assistance provided to other households in the United States; and

(D) such other factors as the Comptroller General considers appropriate; and

(2) the potential alternative means of providing nutritional assistance in the Commonwealth of Puerto Rico, including—

(A) the impact of restoring the Commonwealth to the food stamp program;

(B) increasing the benefits provided under the nutrition assistance program to the aggregate value of food stamp coupons that would be distributed to households in the Commonwealth if the Commonwealth were to participate in the food stamp program; and

(C) the usefulness of adjustments to standards of eligibility and other factors appropriate to the circumstances of the Commonwealth comparable to those adjustments made under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) for Alaska, Hawaii, Guam, and the Virgin Islands of the United States.

(d) REPORT OF FINDINGS.—Not later than August 1, 1992, the Comptroller General shall submit a final report on the findings of the study required under subsection (c) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

SEC. 1763. AUTOMATED DATA PROCESSING AND INFORMATION RETRIEVAL SYSTEMS.

(a) IN GENERAL.—The Act (7 U.S.C. 2011 et seq.) is amended by adding at the end the following new section:

"SEC. 23. AUTOMATED DATA PROCESSING AND INFORMATION RETRIEVAL SYSTEMS.

"(a) STANDARDS AND PROCEDURES FOR REVIEWS.—

"(1) INITIAL REVIEWS.—

"(A) IN GENERAL.—Not later than 1 year after the date of enactment of this section, the Secretary shall complete a review of regulations and standards (in effect on the date of enactment of this section) for the approval of an automated data processing and information retrieval system maintained by a State (hereinafter in this section referred to as a "system") to determine the extent to which the regulations and standards contribute to a more effective and efficient program.

"(B) REVISION OF REGULATIONS.—The Secretary shall revise regulations (in effect on the date of enactment of this Act) to take into account the findings of the review conducted under subparagraph (A).

"(C) INCORPORATION OF EXISTING SYSTEMS.—The regulations shall require States to incorporate all or part of systems in use elsewhere, unless a State documents that the design and operation of an alternative system would be less costly. The Secretary shall establish standards to define the extent of modification of the systems for which payments will be made under either section 16(a) or 16(g).

"(D) IMPLEMENTATION.—Proposed systems shall meet standards established by the Secretary for timely implementation of proper changes.

"(E) COST EFFECTIVENESS.—Criteria for the approval of a system under section 16(g) shall include the cost effectiveness of the proposed system. On implementation of the ap-

proved system, a State shall document the actual cost and benefits of the system.

"(2) Operational reviews.—The Secretary shall conduct such reviews as are necessary to ensure that systems—

"(A) comply with conditions of initial funding approvals; and

"(B) adequately support program delivery in compliance with this Act and regulations issued under this Act.

"(b) Standards for Approval of Systems.—

"(1) In general.—After conducting the review required under subsection (a), the Secretary shall establish standards for approval of systems.

"(2) Implementation.—A State shall implement the standards established by the Secretary within a reasonable period of time, as determined by the Secretary.

"(3) Periodic compliance reviews.—The Secretary shall conduct appropriate periodic reviews of systems to ensure compliance with the standards established by the Secretary.

"(c) Report.—Not later than October 1, 1993, the Secretary shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the extent to which State agencies have developed and are operating effective systems that support food stamp program delivery in compliance with this Act and regulations issued under this Act.".

(b) Conforming Amendment.—The first sentence of section 11(g) (7 U.S.C. 2020(g)) is amended by inserting after "section 16(b)(1)" the following: "or the requirements established pursuant to section 23".

Subtitle B—Commodity Distribution Programs

SEC. 1771. COMMODITY DISTRIBUTION PROGRAM; COMMODITY SUPPLEMENTAL FOOD PROGRAMS.

(a) Reauthorization.—Section 4(a) of the Agriculture and Consumer Protection Act of 1973 (Public Law 93-86; 7 U.S.C. 612c note) is amended by striking "1986, 1987, 1988, 1989, and 1990" and inserting "1991 through 1995".

(b) Infants and Children.—

(1) In general.—Section 4(a) of the Agriculture and Consumer Protection Act of 1973 (Public Law 93-86; 7 U.S.C. 612c note) is amended by inserting after "distribution to institutions" the following: "(including hospitals and facilities caring for needy infants and children)".

(2) Conforming amendment.—Section 416(a)(3) of the Agricultural Act of 1949 (7 U.S.C. 1431(a)(3)) is amended by striking "hospitals, to the extent that needy persons are served" and inserting "hospitals and facilities, to the extent that they serve needy persons (including infants and children)".

(c) Elderly.—The Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note) is amended—

(1) in section 4(a), by striking "supplemental feeding programs" and inserting "supplemental feeding programs serving women, infants, and children or elderly persons, or both,"; and

(2) in section 5(f), by inserting after "additional sites for the program" the following: ", including sites that serve only elderly persons,".

(d) Administrative Funding.*—Section 5(a)(2) of such Act (7 U.S.C. 612c note) is amended—*

(1) by striking "1986 through 1990" and inserting "1991 through 1995"; and

(2) by striking "15 per centum" and all that follows through the end of the subsection and inserting "20 percent of the amount appropriated for the commodity supplemental food program.".

(e) Referrals to Other Programs.*—Section 5 of such Act (7 U.S.C. 612c note) is amended by adding at the end thereof the following new subsections:*

"(h) Each State agency administering a commodity supplemental food program serving women, infants, and children shall—

"(1) ensure that written information concerning food stamps, the program for aid to families with dependent children under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), and the child support enforcement program under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.) is provided on at least one occasion to each adult who applies for or participates in the commodity supplemental food program;

"(2) provide each local agency with materials showing the maximum income limits, according to family size, applicable to pregnant women, infants, and children up to age 6 under the medical assistance program established under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) (hereinafter referred to in this section as the 'medicaid program') which materials may be identical to those provided under section 17(e)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(e)(3)); and

"(3) ensure that local agencies provide to pregnant, breast feeding and post partum women, and adults applying on behalf of infants or children, who apply to the commodity supplemental food program, or who reapply to such program, written information about the medicaid program and referral to the program or to agencies authorized to determine presumptive eligibility for the medicaid program, if the individuals are not participating in the medicaid program.

"(i) Each State agency administering a commodity supplemental food program serving elderly persons shall ensure that written information is provided on at least one occasion to each elderly participant in or applicant for the commodity supplemental food program for the elderly concerning—

"(1) food stamps provided under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.);

"(2) the supplemental security income benefits provided under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.); and

"(3) medical assistance provided under title XIX of such Act (42 U.S.C. 1396 et seq.) (including medical assistance provided to a qualified medicare beneficiary (as defined in section 1905(p) of such Act (42 U.S.C. 1396d(5)).".

(f) Advance Warning for Decline in Number of Persons Served Under Program.*—Section 5 of such Act (7 U.S.C. 612c*

note) (as amended by subsection (e) of this section) is further amended by adding at the end the following new subsection:

"(j)(1) If the Secretary must pay a significantly higher than expected price for one or more types of commodities purchased under the commodity supplemental food program, the Secretary shall promptly determine whether the price is likely to cause the number of persons that can be served in the program in a fiscal year to decline.

"(2) If the Secretary determines that such a decline would occur, the Secretary shall promptly notify the State agencies charged with operating the program of the decline and shall ensure that a State agency notify all local agencies operating the program in the State of the decline.".

SEC. 1772. EMERGENCY FOOD ASSISTANCE PROGRAM.

(a) SHORT TITLE.—The Temporary Emergency Food Assistance Act of 1983 (Public Law 98-8; 7 U.S.C. 612c note) is amended—

(1) by striking the title and inserting the following new title:

"TITLE II—EMERGENCY FOOD ASSISTANCE ACT OF 1983"; and

(2) in section 201, by striking "Temporary".

(b) AVAILABILITY OF CCC COMMODITIES.—Section 202 of such Act (7 U.S.C. 612c note) is amended by adding at the end the following new subsection:

"(g)(1) Whenever commodities acquired by the Commodity Credit Corporation are made available for donation to domestic food programs in quantities that exceed Federal obligations, the Secretary shall give equal consideration to making donations of such commodities to emergency feeding organizations participating in the program authorized by this Act as is given to other commodity recipient agencies, taking into account the types and amounts of commodities available and appropriate for distribution to these organizations.

"(2) In determining the commodities that will be made available to emergency feeding organizations under this Act, the Secretary may distribute commodities that become available on a seasonal or irregular basis.".

(c) REAUTHORIZATION.—Section 204 of such Act (7 U.S.C. 612c note) is amended—

(1) by striking subsections (a) and (b);

(2) by redesignating subsections (c) and (d) as subsections (a) and (b), respectively; and

(3) in subsection (a)(1) (as so redesignated), by striking "ending September 30, 1986, through September 30, 1990," and inserting "1991 through 1995".

(d) HANDLING COSTS.—The second sentence of section 204(a)(2) of such Act (7 U.S.C. 612c note) (as redesignated by subsection (c)(2) of this section) is amended by inserting after "handling," the following: "repackaging, processing,".

(e) ESTIMATES OF TYPES AND QUANTITIES OF AVAILABLE COMMODITIES.—Section 210 of such Act (7 U.S.C. 612c note) by striking subsection (c) and inserting the following new subsection:

"(c)(1) The Secretary shall as early as feasible but not later than the beginning of each fiscal year, publish in the Federal Register an estimate of the types and quantities of commodities that the Secretary anticipates are likely to be made available under the commodity distribution program under this Act during the fiscal year.

"(2) The actual types and quantities of commodities made available by the Secretary under this Act may differ from the estimates made under paragraph (1).".

(f) PROGRAM TERMINATION.—Section 212 of such Act (7 U.S.C. 612c note) is amended by striking "1990" and inserting "1995".

(g) ADDITIONAL COMMODITIES.—Section 214 of such Act (7 U.S.C. 612c note) is amended—

(1) in subsection (a), by striking "fiscal years 1989 and 1990" and inserting "fiscal years 1991 through 1995"; and

(2) by striking subsection (e) and inserting the following new subsection:

"(e) AMOUNTS.—To carry out this section there are authorized to be appropriated $175,000,000 for fiscal year 1991, $190,000,000 for fiscal year 1992, and $220,000,000 for each of the fiscal years 1993 through 1995 to purchase, process, and distribute additional commodities under this section. Any amounts provided for fiscal years 1991 through 1995 shall be available only to the extent and in such amounts as are provided in advance in appropriations acts.".

(h) CONFORMING AMENDMENTS.—

(1) Section 214 of such Act (7 U.S.C. 612c note) is amended by striking out subsection (k).

(2) Section 4(c) of the Agriculture and Consumer Protection Act of 1973 (Public Law 93-86; 7 U.S.C. 612c note) is amended by striking "(7 U.S.C. 1446a-1) Temporary or the" and inserting "(7 U.S.C. 1446a-1), or the".

(3) Section 3(a)(2)(F) of the Commodity Distribution Reform Act and WIC Amendments of 1987 (Public Law 100-237; 7 U.S.C. 612c note) is amended by striking clause (i) and inserting the following new clause:

"(i) the emergency food assistance program established under the Emergency Food Assistance Act of 1983 (Public Law 100-237; 7 U.S.C. 612c note); and".

(4) Section 13(3)(E) of the Commodity Distribution Reform Act and WIC Amendments of 1987 (Public Law 100-237; 7 U.S.C. 612c note) is amended by striking "Temporary".

(5) Section 220(a) of the Hunger Relief Act of 1988 (Public Law 100-435; 7 U.S.C. 612c note) is amended by striking "Temporary" each place it appears.

(6) Section 675(c)(5) of the Community Services Block Grant Act (42 U.S.C. 9904(c)(5)) is amended by striking "Temporary".

SEC. 1773. COMMODITY DISTRIBUTION REFORM.

(a) CLARIFYING AMENDMENT.—Section 3(a)(3)(A)(i) of the Commodity Distribution Reform Act and WIC Amendments of 1987 (Public Law 100-237; 7 U.S.C. 612c note) is amended by inserting after "recipient agencies" the following: ", including food banks".

(b) ADVANCE FUNDING FOR STATE OPTION CONTRACTS (SOCs).—Such Act (7 U.S.C. 612c note) is amended by inserting after section 3 the following new section:

"SEC. 3A. ADVANCE FUNDING FOR STATE OPTION CONTRACTS.

"(a) IN GENERAL.—The Secretary may use the funds of the Commodity Credit Corporation and funds made available to carry out section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) to pay for all or a portion of the cost, as agreed on with the State distribution agency, of food or the processing or packaging of food on behalf of a State distribution agency.

"(b) REIMBURSEMENT.—In such cases, the State distribution agency shall reimburse the Secretary for the agreed on cost. Any funds received by the Secretary as reimbursement shall be deposited to the credit of the Commodity Credit Corporation or section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), as appropriate. If the State distribution agency fails, within 150 days of delivery, to make the required reimbursement in full, the Secretary shall, within 30 days, offset any outstanding amount against the appropriate account.".

(c) COMMERCIAL WAREHOUSING AND DISTRIBUTION.—Section 3(d) of such Act (7 U.S.C. 612c note) is amended—

(1) by striking "Before the expiration of the 270-day period beginning on the date of the enactment of this Act," and inserting the following: "On or before July 1, 1992,"; and

(2) by striking paragraphs (1), (2), and (3) and inserting the following new paragraphs:

"(1) evaluate its system for warehousing and distributing donated commodities to recipient agencies designated in subparagraphs (A) and (B) of section 13(3) (hereafter referred to in this Act as 'child and elderly nutrition program recipient agencies');

"(2) in the case of State distribution agencies that require payment of fees by child and elderly nutrition program recipient agencies for any aspect of warehousing or distribution, implement the warehousing and distribution system that provides donated commodities to such recipient agencies in the most efficient manner, at the lowest cost to such recipient agencies, and at a level that is not less than a basic level of services determined by the Secretary;

"(3) in determining the most efficient and lowest cost system, use commercial facilities for providing warehousing and distribution services to such recipient agencies, unless the State applies to the Secretary for approval to use other facilities demonstrating that, when both direct and indirect costs incurred by such recipient agencies are considered, such other facilities are more efficient and provide services at a lower total cost to such recipient agencies;".

(d) COMMODITY ACCEPTABILITY INFORMATION.—Section 3(f)(2) of such Act (7 U.S.C. 612c note) is amended by striking "semiannually" and inserting "annually".

(e) FOOD BANK PROJECTS.—Section 4 of such Act (7 U.S.C. 612c note) is amended—

*(1) in the section heading, by striking "**DEMONSTRATION**";*

*(2) in subsection (a), by striking "*Demonstration Project*" and inserting "*Community Food Banks*";*

(3) in subsection (d), by striking "and ending on December 31, 1990"; and

(4) by striking paragraph (e).

(f) Report on Entitlement Commodity Processing.—

(1) In general.—Not later than January 1, 1992, the Comptroller General of the United States shall submit a report regarding processing of entitlement commodities used in child nutrition programs to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(2) Consultation.—The Comptroller General shall consult with representatives of State and Federal commodity distribution authorities, local elected school authorities, local school food service authorities, and food processors with experience providing service to child nutrition programs regarding the scope and design of the report.

(3) Evaluation.—The report shall evaluate the extent to which—

(A) processing of entitlement commodities occurs in the States;

(B) governmental requirements for participation in the processing vary among States; and

(C) entitlement commodity recipients are satisfied with access to and services provided through entitlement commodity processing.

SEC. 1774. HUNGER PREVENTION PROGRAMS.

(a) Soup Kitchens and Food Banks.—Section 110 of the Hunger Prevention Act of 1988 (Public Law 100-435; 7 U.S.C. 612c note) is amended—

(1) in subsection (a), by striking "1991" and inserting "1995"; and

(2) in subsection (b)—

(A) by redesignating paragraphs (4) through (8) as paragraphs (5) through (9), respectively; and

(B) by inserting after paragraph (3) the following new paragraph:

"(4) Food pantry.—The term 'food pantry' means a public or private nonprofit organization that distributes food to low-income and unemployed households, including food from sources other than the Department of Agriculture, to relieve situations of emergency and distress.";

(3) by striking subsection (c) and inserting the following new subsection:

"(c) Amounts.—

"(1) 1991 fiscal year.—During fiscal year 1991, the Secretary shall spend $32,000,000, to purchase, process, and distribute additional commodities to States for distribution to soup kitchens and food banks within a given State that provide nutrition assistance to relieve situations of emergency and distress through the provision of food and meals to needy persons.

"(2) 1992 THROUGH 1995 FISCAL YEARS.—There are authorized to be appropriated $40,000,000 for each of the fiscal years 1992 through 1995 fiscal years to purchase, process, and distribute additional commodities to States for distribution to soup kitchens and food banks within a given State that provide nutrition assistance to relieve situations of emergency and distress through the provision of food and meals to needy persons. Any amounts provided for fiscal years 1992 through 1995 shall be available only to the extent and in such amounts as are provided in advance in appropriations Acts.

"(3) FOOD PANTRIES.—In instances in which food banks do not operate within a given State, the State may distribute commodities to food pantries."; and

(4) by striking subsection (j).

(b) GLEANING ASSISTANCE.—Section 111 of the Hunger Prevention Act of 1988 (7 U.S.C. 612c note) is amended to read as follows:

"SEC. 111. GLEANING CLEARINGHOUSES.

"(a) DEFINITION OF GLEANING.—For purposes of this section, the term 'to glean' means to collect unharvested crops from the fields of farmers, or to obtain agricultural products from farmers, processors, or retailers, in order to distribute the products to needy individuals, including unemployed and low-income individuals, and the term includes only those situations in which agricultural products and access to fields and facilities are made available without charge.

"(b) ESTABLISHMENT.—

"(1) IN GENERAL.—The Secretary of Agriculture (hereafter in this section referred to as the 'Secretary') is authorized to assist States and private nonprofit organizations in establishing Gleaning Clearinghouses (hereafter in this section referred to as a 'Clearinghouse').

"(2) ASSISTANCE.—The Secretary is authorized to provide technical information and other assistance considered appropriate by the Secretary to encourage public and nonprofit private organizations to—

"(A) initiate and carry out gleaning activities, and to assist other organizations and individuals to do so, through lectures, correspondence, consultation, or such other measures as the Secretary may consider appropriate;

"(B) collect from public and private sources (including farmers, processors, and retailers) information relating to the kinds, quantities, and geographical locations of agricultural products not completely harvested;

"(C) gather, compile, and make available to public and nonprofit private organizations and to the public the statistics and other information collected under this paragraph, at reasonable intervals;

"(D) establish and operate a toll-free telephone line by which—

"(i) farmers, processors, and retailers may report to a Clearinghouse for dissemination information regarding unharvested crops and agricultural products available for gleaning, and may also report how they may be contacted;

"(ii) public and nonprofit organizations that wish to glean or to assist others to glean, may report to a Clearinghouse the kinds and amounts of products that are wanted for gleaning, and may also report how they may be contacted;

"(iii) persons who can transport crops or products may report the availability of free transportation for gleaned crops or products; and

"(iv) information about gleaning can be provided without charge by a Clearinghouse to the persons and organizations described in clauses (i), (ii), and (iii);

"(E) prepare, publish, and make available to the public, at cost and on a continuing basis, a handbook on gleaning that includes such information and advice as may be useful in operating efficient gleaning activities and projects, including information regarding how to—

"(i) organize groups to engage in gleaning; and

"(ii) distribute to needy individuals, including low-income and unemployed individuals, food and other agricultural products that have been gleaned; or

"(F) advertise in print, on radio, television, or through other media, as the Secretary considers to be appropriate, the services offered by a Clearinghouse under this section.".

(c) CHEESE AND NONFAT DRY MILK.—

(1) CONFORMING AMENDMENT.—Subsection (d) of section 5 of the Agriculture and Consumer Protection Act of 1973 (Public Law 93-86; 7 U.S.C. 612c note) is amended by inserting "(1)" after the subsection designation.

(2) TRANSFER.—Section 130 of the Hunger Prevention Act of 1988 (7 U.S.C. 612c note) is amended—

(A) by redesignating such section as paragraph (2) of section 5(d) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note);

(B) by transfering and inserting such section immediately after paragraph (1) of section 5(d) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note); and

(C) to read as follows:

"(2) Notwithstanding any other provision of law, the Commodity Credit Corporation shall, to the extent that the Commodity Credit Corporation inventory levels permit, provide not less than 9,000,000 pounds of cheese and not less than 4,000,000 pounds of nonfat dry milk in each of the fiscal years 1991 through 1995 to the Secretary of Agriculture. The Secretary shall use such amounts of cheese and nonfat dry milk to carry out the commodity supplemental food program before the end of each fiscal year.".

SEC. 1775. REPROCESSING AGREEMENTS WITH PRIVATE COMPANIES.

(a) REAUTHORIZATION.—Section 1114(a)(2)(A) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e(2)(A)) is amended by striking "1990" and inserting "1995".

(b) PROCESSED END PRODUCTS.—Section 1114(a)(2) of such Act is amended by adding at the the following new subparagraphs:

"(C) Whenever commodities are made available to agencies pursuant to section 311(a)(4) of the Older Americans Act of 1965 (42

U.S.C. 3030a(a)(4)), the Secretary shall encourage access to processed end products containing the commodities when in the Secretary's judgment it is cost effective. The requirements of this subparagraph shall be met in the most efficient and effective way possible. The Secretary may, among other alternatives, use direct purchase, state option contracts authorized under section 3A of the Commodity Distribution Reform Act and WIC Amendments of 1987 (Public Law 100–237; 7 U.S.C. 612c note), State processing programs, and (beginning in fiscal year 1994) agreements with private companies operated as a part of the national commodity processing program.

"(D) In each of fiscal years 1992 and 1993, the Secretary shall conduct a pilot project in not more than three States under which any commodity made available to agencies pursuant to section 311(a)(4) of the Older Americans Act of 1965 (42 U.S.C. 3030a(a)(4)) that the Secretary determines to be appropriate for reprocessing is made available to the agencies as reprocessed end products. The reprocessing shall be performed pursuant to agreements with private companies, at the expense of the agencies, and operated as part of the national commodity processing program established under subparagraph (A). In determining the appropriateness of the commodities to be reprocessed under the pilot project, the Secretary shall consider the common needs of the agencies and the availability of processors.".

SEC. 1776. NUTRITION EDUCATION REAUTHORIZATION.

(a) NUTRITION EDUCATION PROGRAM.—Section 1588(a) of the Food Security Act of 1985 (7 U.S.C. 3175e(a)) is amended by striking "$5,000,000" and all that follows through the end of the subsection and inserting "$8,000,000 for each of the fiscal years 1991 through 1995.".

(b) EXPANDED FOOD AND NUTRITION EDUCATION PROGRAM.—Section 1425(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3125(c)) is amended by adding at the end the following new paragraph:

> *"(3) There is authorized to be appropriated to carry out the expanded food and nutrition education program established under section 3(d) of the Act of May 8, 1914 (38 Stat. 373, chapter 79; 7 U.S.C. 343(d)) and this section $63,000,000 for fiscal year 1991, $68,000,000 for fiscal year 1992, $73,000,000 for fiscal year 1993, $78,000,000 for fiscal year 1994, and $83,000,000 for fiscal year 1995.".*

SEC. 1777. NOTIFYING SHELTERS OF CHARITABLE INSTITUTIONS PROGRAM.

At least once in fiscal year 1991, when commodities are provided to a State by the Secretary of Agriculture for donations to charitable institutions the Secretary of Agriculture shall require the appropriate State agency to undertake efforts to inform shelters for the homeless and for battered women and children of—

(1) the availability of commodity donations to charitable institutions;

(2) the criteria for qualifying to receive the donations; and

(3) how application can be made to receive the donations.

SEC. 1778. WELFARE SIMPLIFICATION AND COORDINATION ADVISORY COMMITTEE.

(a) APPOINTMENT AND MEMBERSHIP.—

(1) ESTABLISMENT.*—There is established an Advisory Committee on Welfare Simplification and Coordination (hereafter in this section referred to as the "Committee") consisting of not fewer than 7, nor more than 11, members appointed by the Secretary of Agriculture (hereafter in this section referred to as the "Secretary"), after consultation with the Secretary of Health and Human Services and the Secretary of Housing and Urban Development, and with the advice of State and local officials responsible for administering the food stamp program, cash and medical assistance programs for low-income families and individuals under the Social Security Act, and programs providing housing assistance to needy families and individuals, and representatives of recipients and recipient advocacy organizations associated with such programs.*

(2) QUALIFICATIONS.*—The members of the Committee shall be individuals who are familiar with the rules, goals, and limitations of Federal food stamp, cash, medical, and housing assistance programs for low-income families and individuals, and may include individuals who have demonstrated expertise in evaluating the operations of and interaction among such programs as they affect administrators and recipients, persons who have experience in administering such programs at the Federal, State, or local level, and representatives of administrators and recipients affected by such programs.*

(b) PURPOSE.*—It shall be the purpose of the Committee, in consultation, where appropriate, with program administrators and representatives of recipients—*

(1) to identify the significant policies implemented in the food stamp program, cash and medical assistance programs under the Social Security Act, and housing assistance programs (whether resulting from law, regulations, or administrative practice) that, because they differ substantially, make it difficult for those eligible to apply for and obtain benefits from more than one program and restrict the ability of administrators of such programs to provide efficient, timely, and appropriate benefits to those eligible for more than one type of assistance, drawing, where appropriate, on previous efforts to coordinate and simplify such programs and policies;

(2) to examine the major reasons for such different programs and policies;

(3) to evaluate how and the extent to which such different programs and policies hinder, to a significant degree, the receipt of benefits from more than one program and substantially restrict administrators' ability to provide efficient, timely, and appropriate benefits;

(4) to recommend common or simplified programs and policies (including recommendations for changes in law, regulations, and administrative practice and for policies that do not currently exist in such programs) that would substantially reduce difficulties in applying for and obtaining benefits from more than one program and significantly increase the ability of administrators of such programs to efficiently provide timely and appropriate assistance to those eligible for more than one type of assistance; and

(5) to describe the major effects of such common or simplified programs and policies (including how such common or simplified programs and policies would enhance or conflict with the purposes of such programs, how they would ease burdens on administrators and recipients, how they would affect program costs and participation, and the degree to which they would change the relationships between the Federal Government and the States in such programs) and the reasons for recommending such programs and policies (including reasons, if any, that might be sufficient to override special rules derived from the purposes of individual programs).

(c) ADMINISTRATIVE SUPPORT.—The Secretary shall provide the Committee with such technical and other assistance, including secretarial and clerical assistance, as may be required to carry out its functions.

(d) REIMBURSEMENT.—Members of the Committee shall serve without compensation but shall receive reimbursement for necessary travel and subsistence expenses incurred by such members in the performance of the duties of the Committee.

(e) REPORTS.—Not later than July 1, 1993, the Committee shall prepare and submit, to the appropriate committees of Congress, the Secretary of Agriculture, the Secretary of Health and Human Services, and the Secretary of Housing and Urban Development a final report, including recommendations for common or simplified programs and policies and the effects of and reasons for such programs and policies and may submit interim reports, including reports on common or simplified programs and policies covering less than the complete range of programs and policies under review, to the committees and such Secretaries as deemed appropriate by the Committee.

SEC. 1779. SCHOOL LUNCH STUDIES.

(a) IN GENERAL.—The Secretary of Agriculture shall determine—

(1) the quantity of bonus commodities lost, by State, since the 1987–88 school year;

(2) what school food service authorities charge students for non-free or reduced price meals; and

(3) trends in school participation and student participation, by State and for the United States.

(b) ADDITIONAL STUDY.—

(1) IN GENERAL.—The Secretary shall determine—

(A) the cost to produce school lunches and breakfasts, including indirect and local administrative costs;

(B) the reasons why schools choose not to participate in the National school lunch program;

(C) the State costs incurred to administer the school programs;

(D) why children eligible for free or reduced price meals do not apply for benefits or participate; and

(E) other information considered necessary by the Secretary.

(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection, $1,000,000 for each of the fiscal years 1991 through 1993.

(c) REPORTS.—The Secretary shall submit to Congress—

(1) an interim report on the study required by subsection (a) not later than October 1, 1991;

(2) an interim report on the study required by subsection (b) not later than October 1, 1992; and

(3) a final report on the studies required by subsections (a) and (b) not later than October 1, 1993.

Subtitle C—Effective Dates

SEC. 1781. EFFECTIVE DATES.

(a) IN GENERAL.—Except as otherwise provided in subsection (b) and other provisions of this title, this title and the amendments made by this title shall become effective and implemented the 1st day of the month beginning 120 days after the publication of implementing regulations. Such regulations shall be promulgated not later than October 1, 1991.

(b) SPECIAL EFFECTIVE DATES.—

(1) OCTOBER 1, 1990.—The amendments made by sections 1721, 1730, 1750, 1754, 1760(1)(A), 1761, 1762, 1771(a), 1771(d), 1772(c), 1772(f), 1772(g), and 1776 shall be effective on October 1, 1990.

(2) DATE OF ENACTMENT.—The amendments made by sections 1718, 1729, 1731, 1739, 1742, 1746, 1747, 1748, 1749, 1751, 1753, 1755, 1756, 1757, 1758, 1759, 1760 (1)(B) and (2), 1763, 1771(b), 1771(c), 1772(a), 1772(b), 1772(d), 1772(h), 1773, 1774(a)(1), 1774(b), 1774(c), 1775(a), 1775(b), 1777, 1778, and 1779 shall become effective on the date of enactment of this Act.

(3) APRIL 1, 1991.—The amendments made by sections 1716, 1722, and 1736(2) shall become effective and implemented the 1st day of the month beginning 120 days after the promulgation of implementing regulations. Such regulations shall be promulgated not later than April 1, 1991.

(4) CATEGORICAL ELIGIBILITY.—The amendment made by section 1714(2) shall become effective and implemented the 1st day of the month beginning 120 days after the promulgation of implementing regulations. Such regulations shall be promulgated—

(A) in the case of a State general assistance program, not later than October 1, 1991; and

(B) in the case of a local general assistance program, not later than April 1, 1992.

TITLE XVIII—CREDIT

Subtitle A—Farmers Home Administration Loans

SEC. 1801. REFERENCES TO THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT.

Wherever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other *provision of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.), except to the extent otherwise specifically provided.*

SEC. 1802. SOIL AND WATER LOANS.

(a) IN GENERAL.—Section 304 (7 U.S.C. 1924) is amended by adding at the end the following new subsection:

"(d)(1) Loans may also be made or insured under this subtitle for soil and water conservation and protection. Such loans may be made to farm owners or tenants who are eligible borrowers under this subtitle for—

"(A) the installation of conservation structures, including terraces, sod waterways, permanently vegetated stream borders and filter strips, windbreaks (tree or grass), shelterbelts, and living snow fences;

"(B) the establishment of forest cover for sustained yield timber management, erosion control, or shelterbelt purposes;

"(C) the establishment or improvement of permanent pasture;

"(D) the conversion to and maintenance of sustainable agricultural production systems, as described by Department technical guides and handbooks;

"(E) the payment of costs of complying with section 1212 of the Food Security Act of 1985 (16 U.S.C. 3812); and

"(F) other purposes consistent with plans for soil and water conservation, integrated farm management, water quality protection and enhancement, and wildlife habitat improvement.

"(2) In making or insuring loans under this subsection, the Secretary shall give priority to producers who use such loans to build conservation structures or establish conservation practices to comply with section 1212 of the Food Security Act of 1985 (16 U.S.C. 3812).

"(3) The Secretary shall not make or insure a loan under this section that exceeds the lesser of—

"(A) the value of the farm or other security for such loan; or

"(B) $50,000.".

(b) LIMITED RESOURCE AUTHORIZATION.—Section 310D(a) (7 U.S.C. 1934(a)) is amended—

(1) by striking "clauses (1) through (5) of section 303(a) of this title" and inserting "paragraphs (1) through (5) of section 303(a), or subparagraphs (A) through (E) of section 304(d)(1),";

(2) in paragraph (2), by striking "clauses" and inserting "paragraphs";

(3) in paragraph (3), by striking "of this title"; and

(4) in the second sentence, by striking "clauses" and inserting "paragraphs".

SEC. 1803. INTEREST RATE ON FARM OWNERSHIP LOANS AND OPERATING LOANS MADE TO LIMITED RESOURCE BORROWERS.

(a) FARM OWNERSHIP LOANS.—Subparagraph (B) of section 307(a)(3) (7 U.S.C. 1927(a)(3)(B)) is amended to read as follows:

"(B) Except as provided in paragraph (6), the interest rate on loans (other than guaranteed loans) under section 310D shall not be—

"(i) greater than the sum of—

"(I) an amount that does not exceed one-half of the current average market yield on outstanding marketable obligations of the United States with maturities of 5 years; and

"(II) an amount not exceeding 1 percent per year, as the Secretary determines is appropriate; or

"(ii) less than 5 percent per year.".

(b) OPERATING LOANS.—Paragraph (2) of section 316(a) (7 U.S.C. 1946(a)(2)) is amended to read as follows:

"(2) The interest rate on any loan (other than a guaranteed loan) to a low income, limited resource borrower under this subtitle shall not be—

"(A) greater than the sum of—

"(i) an amount that does not exceed one-half of the current average market yield on outstanding marketable obligations of the United States with maturities of 5 years; and

"(ii) an amount not exceeding 1 percent per year, as the Secretary determines is appropriate; or

"(B) less than 5 percent per year.".

SEC. 1804. GUARANTEE OF PAYMENT BY DEPARTMENT OF HAWAIIAN HOME LANDS.

Section 310C(b) (7 U.S.C. 1933(b)) is amended by striking ", as amended" and inserting "or this title".

SEC. 1805. DEBT SETTLEMENT.

(a) IN GENERAL.—Section 331 (7 U.S.C. 1981) is amended—

(1) in subsection (d)—

(A) by striking "under any of its programs, as circumstances may require, to carry out" and inserting ", except for activities under the Housing Act of 1949"; and

(B) by striking "incurred under this title" and inserting ", except for debt incurred under the Housing Act of 1949"; and

(C) in paragraph (1), by inserting "with respect to farmer program loans," before "on terms"; and

(2) in subsection (e)—

(A) by inserting "except for activities conducted under the Housing Act of 1949," after "(e)";

(B) by striking "arising or";

(C) by striking "under this title" and inserting "by the Farmers Home Administration"; and

(D) by striking "pursuant to this title" and inserting "by the Farmers Home Administration".

(b) PAYMENT OF ACCRUED INTEREST.—Section 331 (7 U.S.C. 1981) is amended by striking subsection (h).

(c) TECHNICAL AND CONFORMING AMENDMENTS.—Section 331 (7 U.S.C. 1981) is amended—

(1) by indenting the margin of subsections (f), (g), and (i) so as to align with the margin of subsection (e);

(2) in subsection (f), by striking "Release" and inserting "release";

(3) in subsection (g), by striking "Obtain" and inserting "obtain";

(4) in subsection (i), by striking "Consent" and inserting "consent"; and

(5) by redesignating subsections (i) and (j) as subsections (h) and (i), respectively.

SEC. 1806. DOCUMENTATION FOR APPROVAL OF SECURITY TRANSFER.

Section 331(h)(2) (as amended and so redesignated by section 1805 of this Act) is amended by inserting before the semicolon at the end the following: ", and shall document the consent of the Secretary for the transfer of the property of a borrower in the file of the borrower".

SEC. 1807. NOTICE OF LOAN SERVICE PROGRAMS.

Section 331D (7 U.S.C. 1981d) is amended—

(1) in subsection (b)(1), by inserting "debt settlement programs," after "preservation loan service programs,"; and

(2) in subsection (e), by striking "45" and inserting "60".

SEC. 1808. UNDERWRITING FORMS AND STANDARDS.

(a) In General.—The Act is amended by inserting after section 331E (7 U.S.C. 1981e) the following new section:

"SEC. 331F. UNDERWRITING FORMS AND STANDARDS.

"In the administration of this title, the Secretary shall, to the extent practicable, use underwriting forms, standards, practices, and terminology similar to the forms, standards, practices, and terminology used by lenders in the private sector.".

(b) Regulations.—The Secretary of Agriculture shall not issue final regulations providing for the use of ratios and standards for determining the degree of potential loan risk under section 331F of the Consolidated Farm and Rural Development Act (as added by subsection (a) of this section), prior to the submission of the study and report on the effects of the regulations required by section 621 of the Agricultural Credit Act of 1987 (7 U.S.C. 1989 note).

SEC. 1809. COUNTY COMMITTEES.

(a) FmHA-Eligible Borrowers.—Section 332(a)(4) (7 U.S.C. 1982(a)(4)) is amended by inserting "be elected to" before "serve".

(b) Mailing Ballots.—Section 332(a) is amended by adding at the end the following new paragraph:

"(6) The Secretary shall provide for the mailing of ballots to persons eligible to vote for the election of county committee members only if the mailing of the ballots coincides with the mailing of ballots under other programs administered by the Secretary.".

(c) Training.—Section 332 is amended by adding at the end the following new subsection:

"(d)(1) The Secretary shall provide annual training of county committee members on the job responsibilities of the members under this title.

"(2) The Secretary shall develop and provide a county committee training manual to all county committee members and shall update the manual in a timely manner to reflect changes in law or regulations.".

SEC. 1810. CERTIFICATION OF LOAN ELIGIBILITY.

Section 333(b) (7 U.S.C. 1983(b)) is amended to read as follows:

"(b)(1)(A) for loans (other than under sections 306, 310B, 314, and 321(a)(2)), the county committee to certify in writing that the applicant meets the eligibility requirements for the loan,

and has the character, industry, and ability to carry out the proposed operations, and will in the opinion of the county committee honestly endeavor to carry out the applicant's undertakings and obligations;

"(B) for loans under sections 306, 310B, 314, and 321(a)(2), the recommendation of the county committee as to the making or insuring of the loan; and

"(C) for all loans, the certification of eligibility under this subsection shall continue in effect for a period of not to exceed 2 years as the committee may determine appropriate; and

"(2) the Secretary may provide a procedure for appeal and review of any determination relating to a certification or recommendation required to be made by the county committee, and for reversal or modification thereof should the facts warrant such action;".

SEC. 1811. BUSINESS AND INDUSTRY AND COMMUNITY FACILITY LOANS.

Section 333A(a) (7 U.S.C. 1983a(a)) is amended by adding at the end the following new paragraph:

"(4)(A) Notwithstanding paragraph (1), each application for a loan or loan guarantee under section 310B(a), or for a loan under section 306(a), that is to be disapproved by the Secretary solely because the Secretary lacks the necessary amount of funds to make the loan or guarantee shall not be disapproved but shall be placed in pending status.

"(B) The Secretary shall retain the pending application and reconsider the application beginning on the date that sufficient funds become available.

"(C) Not later than 60 days after funds become available regarding each pending application, the Secretary shall notify the applicant of the approval or disapproval of funding for the application.".

SEC. 1812. APPEALS.

Section 333B(e) (7 U.S.C. 1983b(e)) is amended by adding at the end the following new paragraph:

"(4) Except as provided in paragraph (3) and in the regulations of the Secretary governing the right of the Secretary to seek review of appeal decisions under this title, a county committee or employee of the Farmers Home Administration shall, on having a case returned pursuant to the decision of a hearing officer, State director, or the director of the national appeals division, implement the decision within a reasonable period of time.".

SEC. 1813. DISPOSITION OF SUITABLE PROPERTY.

(a) Holding Period.—The fourth sentence of section 335(c)(1) (7 U.S.C. 1985(c)(1)) is amended by striking "three years from the date of acquisition" and inserting "12 months from the date first published under paragraph (2)(D)".

(b) Random Selection Among Equally Qualified Applicants.—Section 335 (7 U.S.C. 1985) is amended—

(1) in subsection (c)(2)(C), by inserting before the semicolon the following: ", except that if the committee determines that two or more applicants meet the loan eligibility criteria, the committee shall select between the qualified applicants on a random basis"; and

(2) in subsection (e)(4)(C)—

(A) by striking "shall, by majority vote," and inserting "shall randomly"; and

(B) by inserting before the period at the end the following: ", in accordance with subsection (c)(2)(B)(iii)".

(c) PROPERTY SUBJECT TO BORROWER PURCHASE OR LEASE OPTION.—Section 335(e)(1)(A)(i) (7 U.S.C. 1985(e)(1)(A)(i)) is amended by striking "real property" and inserting "real farm or ranch property (including the principal residence of the borrower)".

(d) RIGHT OF FIRST REFUSAL.—Section 335(e)(1)(A) (7 U.S.C. 1985(e)(1)(A)) is amended by adding at the end the following new clause:

"(iv) In the case of real property described in clause (i) that was acquired by the Secretary before January 6, 1988, that is (or has been at any time during the 12-month period preceding the date of enactment of this clause) under lease to a person described in subparagraph (C), and that has not been conveyed (or contracted to be conveyed) by the Secretary prior to the date of enactment of this clause, the Secretary shall, during the 30-day period following the date of enactment of this clause, make the person an offer, to be held open for a period of 90 days, to purchase the property on the same terms and conditions that such offers are made in the case of property coming into inventory on or after the date of enactment of this clause.".

(e) QUALIFIED BEGINNING FARMERS OR RANCHERS.—

(1) SUITABLE FARMLAND.—Section 335(c)(2) (7 U.S.C. 1985(c)(2)) is amended—

(A) by redesignating subparagraphs (A), (B), (C), and (D) as clauses (i), (ii), (iii), and (iv), respectively; and

(B) by striking all that precedes clause (i) (as so redesignated by subparagraph (A) of this paragraph) and inserting the following:

"(2)(A) Notwithstanding any other provision of law, the Secretary shall sell suitable farmland administered under this title to persons in the following order:

"(i) Qualified beginning farmers or ranchers (as defined pursuant to section 343(a)(8)), as of the time immediately after such contract for sale or lease is entered into, as determined by the county committee.

"(ii) Operators, as of the time immediately after such contract for sale or lease is entered into, of not larger than family sized farms, as determined by the county committee.

"(B) In selling such land, the county committee shall—".

(2) OTHER PROPERTY.—Section 335(e)(1)(C) (7 U.S.C. 1985(e)(1)(C)) is amended—

(A) by redesignating clause (iv) as clause (v); and

(B) by inserting after clause (iii) the following new clause:

"(iv) Qualified beginning farmers or ranchers (as defined pursuant to section 343(a)(8)) as of the time immediately after such contract for sale or lease is entered into, of not larger than family-sized farm or ranching operations.".

(f) INDIAN LAND IN INVENTORY.—Section 335(e)(1)(D) (7 U.S.C. 1985(e)(1)(D)) is amended by adding at the end the following new clause:

"(x) This subparagraph shall apply to all lands in the land inventory established under this title (as of the date of enactment of this clause) that were (immediately prior to such date) owned by an Indian borrower-owner described in clause (i) and that are situated within an Indian reservation (as defined in clause (ii)), regardless of the date of foreclosure or acquisition by the Secretary. The Secretary shall afford an opportunity to a tribal member, an Indian corporate entity, or the tribe to purchase or lease the real property as provided in clause (iii). If the right is not exercised or no expression of intent to exercise such right is received within 180 days after the date of enactment of this clause, the Secretary shall transfer the real property to the Secretary of the Interior as provided in clause (v).".

(g) OFFERING PRICE.—

(1) IN GENERAL.—Section 335(c)(2)(B)(ii) (7 U.S.C. 1985(c)(2)(B)(ii)), as amended by subsection (e)(1) of this section, is amended to read as follows:

"(ii) offer such land—

"(I) for sales pursuant to subsection (e)(1)(C), at a price not greater than that which reflects the appraised market value of such farmland; and

"(II) for all other sales, at a price not greater than that which reflects the fair market value of such land as determined by bids after advertising or by negotiated sale;".

(2) CONFORMING AMENDMENTS.—Section 335(e)(4) (7 U.S.C. 1985(e)(4)) is amended—

(A) by striking subparagraph (B); and

(B) by redesignating subparagraph (C) as (B).

(h) CONSERVATION EASEMENTS ON WETLANDS ON FMHA INVENTORY PROPERTY.—

(1) IN GENERAL.—Section 335 (7 U.S.C. 1985) is amended by adding at the end the following new subsection:

"(g)(1) Subject to paragraphs (2) through (5), in the disposal of real property under this section, the Secretary shall establish perpetual wetland conservation easements to protect and restore wetlands or converted wetlands that exist on inventoried property, as determined by the Secretary in accordance with title XII of the Food Security Act of 1985 (16 U.S.C. 3801 et seq.).

"(2) In establishing the wetland conservation easements on land that is considered to be cropland as of the date of enactment of this subsection, the Secretary shall avoid, to the extent practicable, an adverse impact on the productivity of the croplands, as provided in this subsection.

"(3) In order to avoid the adverse impact, the Secretary shall—

"(A) not establish the wetland conservation easements with respect to wetlands that were converted prior to December 23, 1985, and that have been in cropland use, as determined by the Secretary, in excess of 10 percent of the existing cropland available for production of agricultural commodities on the particular parcel of inventoried property;

"(B) not establish the wetland conservation easements with respect to wetlands that have been frequently planted to agricultural commodities and wetlands described in subparagraph (A), in excess of 20 percent of the existing cropland available for

production of agricultural commodities on the particular parcel of inventoried property;

"(C) ensure that the buffer area adjacent to the wetland is generally not more than 100 feet in average width; and

"(D) ensure that access to other portions of the property for farming and other uses is provided.

"(4) The wetland conservation easements shall be placed on wetlands that have a history of haying and grazing, as determined by the Secretary, except that in no case shall the quantity of the wetland subject to the easements exceed 50 percent of the existing forage lands on the parcel of inventoried property. All haying and grazing practices on the wetlands (including the timing and intensity of haying and grazing) shall conform to forage management standards designed to protect wetlands.

"(5) If, despite the limitations contained in paragraph (3), wetland conservation easements established under paragraph (1) would prevent a particular parcel of inventoried property that is to be sold or leased to a borrower described in clause (i), (ii), or (iii) of subsection (e)(1)(C), or to a borrower who is a beginning farmer or rancher, from being a marketable agricultural production unit that is comparable to the parcel as acquired, the Secretary may—

"(A) establish wetland conservation easements on wetland that was converted prior to December 23, 1985, in a quantity that is less than 10 percent of the existing croplands available for production of agricultural commodities on the particular parcel; and

"(B) if the reduction provided in subparagraph (A) is not applicable, or is not sufficient to ensure that the particular parcel would be a marketable agricultural production unit, amend the wetland conservation easements established on the wetlands that have been frequently planted to agricultural commodities to permit the production of agricultural commodities (consistent with title XII of the Food Security Act of 1985) on the wetlands, to the extent necessary to maintain the parcel as a marketable agricultural production unit.

"(6) The Secretary shall provide prior written notification to a borrower considering preservation loan servicing that a wetlands conservation easement may be placed on land for which the borrower is negotiating a lease option.

"(7) The appraised value of the farm shall reflect the value of the land due to the placement of wetland conservation easements.

"(8) Notwithstanding the limitations described under paragraphs (3) and (4), the limitations may be voluntarily, knowingly waived by any person with respect to real property described in paragraph (3) or (4).".

(2) Study and report on appropriate ceilings on the establishment of wetland conservation easements on existing cropland.—

(A) Study.—Not later than January 31, 1991, the Administrator of the Farmers Home Administration shall study the appropriateness of the maximum percentages, in subparagraphs (A) and (B) of section 335(g)(3) of the Consolidated Farm and Rural Development Act, of the existing cropland available for production of agricultural commodities with respect to which perpetual wetland conservation

easements are to be established under such section, taking into account—

(i) the amount of land in the inventory of the Farmers Home Administration that may become subject to such an easement; and

(ii) the costs and benefits associated with the making of such inventory land subject to such an easement.

(B) REPORT.—Not later than January 31, 1991, the Administrator of the Farmers Home Administration shall prepare and submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report containing the recommendations of the Administrator as to the appropriate maximum percentages referred to in subparagraph (A) of this paragraph.

SEC. 1814. DEFINITIONS.

Section 343(a) (7 U.S.C. 1991(a)) is amended—

(1) by striking "and" at the end of paragraph (6); and

(2) by inserting before the period at the end the following: ", (8) the term 'beginning farmer or rancher' means such term as defined by the Secretary, (9) the term 'direct loan' means a loan made or insured from funds in the account created by section 309, and (10) the term 'farmer program loan' means a farm ownership loan (FO) under section 303, operating loan (OL) under section 312, soil and water loan (SW) under section 304, recreation loan (RL) under section 304, emergency loan (EM) under section 321, economic emergency loan (EE) under section 202 of the Emergency Agricultural Credit Adjustment Act (title II of Public Law 95-334), economic opportunity loan (EO) under the Economic Opportunity Act of 1961 (42 U.S.C. 2942), softwood timber loan (ST) under section 1254 of the Food Security Act of 1985, or rural housing loan for farm service buildings (RHF) under section 502 of the Housing Act of 1949".

SEC. 1815. EXTENSION OF ELIGIBILITY FOR CONSERVATION EASEMENTS; ASSISTANCE TO BORROWERS.

Section 349 (7 U.S.C. 1997) is amended—

(1) in subsection (c)—

(A) in the matter preceding paragraph (1), by striking "such property";

(B) in paragraph (1), by inserting "such property" before "is";

(C) in paragraph (2), by inserting "such property" before "is";

(D) in paragraph (3)(A)(i), by inserting "such property" before "secures";

(E) by amending clause (ii) of paragraph (3)(A) to read as follows:

"(ii) such easement better enables a qualified borrower to repay the loan in a timely manner, as determined by the Secretary; or";

(F) in paragraph (3)(B), by inserting "such property" before "is"; and

(G) in paragraph (4), by inserting "such property" before "was"; and

(2) by amending subsection (e) to read as follows:

"(e)(1) Subject to paragraph (2), the Secretary may purchase any such easement from the borrower—

"(A) in the case of a borrower to whom the Secretary has made one or more outstanding loans under laws administered by the Farmers Home Administration, by canceling that part of the aggregate amount of such outstanding loans that bears the same ratio to such aggregate amount as the number of acres of the real property of the borrower that are subject to the easement bears to the aggregate number of acres securing such loans; or

"(B) in any other case, by treating as prepaid that part of the principal amount of a new loan to the borrower issued and held by the Secretary under a law administered by the Farmers Home Administration that bears the same ratio to such principal amount as the number of acres of the real property of the borrower that are subject to the easement bears to the aggregate number of acres securing the new loan.

"(2) The amount so canceled or treated as prepaid pursuant to paragraph (1) shall not exceed—

"(A) in the case of a delinquent loan, the value of the land on which the easement is acquired or the difference between the amount of the outstanding loan secured by the land and the value of the land, whichever is greater; or

"(B) in the case of a nondelinquent loan, 33 percent of the amount of the loan secured by the land."; and

(9) by striking subsection (h).

SEC. 1816. DEBT RESTRUCTURING AND LOAN SERVICING.

(a) ELIGIBILITY FOR RESTRUCTURING.—Section 353(b)(1) (7 U.S.C. 2001(b)(1)) is amended by inserting before the semicolon the following: ", except that the regulations shall require that, if the value of the assets calculated under subsection (c)(2)(A)(ii) that may be realized through liquidation or other methods would produce enough income to make the delinquent loan current, the borrower shall not be eligible for assistance under subsection (a)".

(b) CHANGES IN NET RECOVERY VALUE CALCULATION.—

(1) INCLUSION OF CERTAIN NONESSENTIAL UNSECURED ASSETS OF THE BORROWER IN THE RECOVERY VALUE.—Section 353(c)(2)(A) (7 U.S.C. 2001(c)(2)(A)) is amended to read as follows:

"(A)(i) the amount of the current appraised value of the interests of the borrower in the property securing the loan; plus

"(ii) the value of the interests of the borrower in all other assets that are—

"(I) not essential for necessary family living expenses;

"(II) not essential to the operation of the farm; and

"(III) not exempt from judgment creditors or in a bankruptcy action under Federal or State law; less".

(2) INCLUSION OF SECURITY PROPERTY NOT POSSESSED BY THE BORROWER IN THE RECOVERY VALUE.—Section 353(c)(2) (7 U.S.C. 2001(c)(2)) is amended—

(A) in subparagraph (B)(iv), by striking "costs." and inserting "costs; plus"; and

(B) by adding at the end the following new subparagraph:

"(C) the value, as determined by the Secretary, of any property not included in subparagraph (A)(i) if the property is specified in any security agreement with respect to such loan and the Secretary determines that the value of such property should be included for purposes of this section.".

(c) DEBT SERVICE MARGIN.—Section 353(c)(3) (7 U.S.C. 2001(c)(3)) is amended by adding at the end the following new subparagraph:

"(C) DEBT SERVICE MARGIN.—

"(i) ASSUMPTION.—For the purpose of assessing under subparagraph (A) the ability of a borrower to meet debt obligations and continue farming operations, the Secretary shall assume that the borrower needs up to 105 percent of the amount indicated for payment of debt obligations.

"(ii) AVAILABLE INCOME.—If an amount up to 105 percent of the debt payments of the borrower has been earmarked for such payments, the Secretary shall consider the income of the borrower to be adequate to meet the debt obligations of the borrower.".

(d) DEADLINE FOR RESTRUCTURING CALCULATIONS.—Section 353(c)(4) (7 U.S.C. 2001(c)(4)) is amended by striking "60" and inserting "90".

(e) GOOD FAITH REQUIREMENT FOR LEASEBACK/BUYBACK ELIGIBILITY.—Section 335(e)(1) (7 U.S.C. 1985(e)(1)) is amended—

(1) in subparagraph (A)(i), by inserting ", if such borrower-owner has acted in good faith with the Secretary, as defined in regulations issued by the Secretary, in connection with such loan" before the period at the end; and

(2) in subparagraph (C)(i), by inserting ", if such borrower-owner has acted in good faith with the Secretary, as defined in regulations issued by the Secretary, in connection with the loan of such borrower-owner for which such property served as security" before the period at the end.

(f) TERMINATION OF LOAN OBLIGATIONS.—Paragraph (6) of section 353(c) (7 U.S.C. 2001(c)(6)) is amended to read as follows:

"(6) TERMINATION OF LOAN OBLIGATIONS.—

"(A) REQUIRED CONDITIONS.—

"(i) IN GENERAL.—Except as provided in subparagraph (B), the obligations of a borrower to the Secretary under a restructured loan shall terminate if—

"(I) the borrower satisfies the requirements of paragraphs (1) and (2) of subsection (b);

"(II) the value of the restructured loan is less than the recovery value; and

"(III) within 90 days after receipt of the notification described in paragraph (4)(B), the borrower

pays (or obtains third-party financing to pay) the Secretary an amount equal to the recovery value.

"(ii) LIMITED APPLICABILITY OF GOOD FAITH REQUIREMENT.—Clause (i)(I) shall not apply to any offer of net recovery buyout made by the Secretary under this section before the date of enactment of this paragraph, unless the Secretary, before such date, determined that the borrower involved did not act in good faith with respect to the loan.

"(B) RECAPTURE.—

"(i) AUTHORITY TO REQUIRE BORROWER TO ENTER INTO AGREEMENT BEFORE TERMINATING LOAN OBLIGATIONS.—

"(I) IN GENERAL.—The Secretary may require, as a condition of the termination of loan obligations under this paragraph, that the borrower enter into an agreement with the Secretary providing that if the borrower sells or otherwise conveys the real property used to secure such loan within 10 years after the date of such agreement, and realizes a gain on such sale or conveyance over the amount of the recovery value of the loan, then the Secretary may recapture part or all of the difference between the recovery value of the loan and the fair market value (on the date of such sale or conveyance) of the property securing the loan.

"(II) LIMITATION ON RECAPTURE AMOUNT.—The agreement described in subclause (I) shall not provide for recapture of an amount that exceeds the difference between such recovery value and the outstanding balance of principal and interest owed on the loan immediately prior to the termination of any loan obligations under this paragraph.

"(ii) TREATMENT OF INTRAFAMILY TRANSFERS.—For purposes of clause (i)(I), transfer of title to a property, on the death or retirement of the borrower, to a spouse or child of the borrower who is actively engaged in farming on the property shall not be treated as a sale or conveyance.".

(g) APPRAISALS.—Section 353(c) (7 U.S.C. 2001(c)) is amended by adding at the end the following new paragraph:

"(7) NEGOTIATION OF APPRAISAL.—

"(A) IN GENERAL.—In making a determination concerning restructuring under this subsection, the Secretary, at the request of the borrower, shall enter into negotiations concerning appraisals required under this subsection with the borrower.

"(B) INDEPENDENT APPRAISAL.—If the borrower, based on a separate current appraisal, objects to the decision of the Secretary regarding an appraisal, the borrower and the Secretary shall mutually agree, to the extent practicable, on an independent appraiser who shall conduct another appraisal of the borrower's property. The average of the two appraisals that are closest in value shall become the final apprais-

al under this paragraph. The borrower and the Secretary shall each pay one-half of the cost of the independent appraisal.".

(h) ADDITIONAL PROVISIONS.—Section 353 is amended by adding at the end the following new subsections:

"(l) PARTIAL LIQUIDATIONS.—If partial liquidations are performed (with the prior consent of the Secretary) as part of loan servicing by a guaranteed lender under this title, the Secretary shall not require full liquidation of a delinquent loan in order for the lender to be eligible to receive payment on losses.

"(m) DISPOSITION OF NORMAL INCOME SECURITY.—For purposes of subsection (b)(2) of this section, and subparagraphs (A)(i) and (C)(i) of section 335(e)(1)(A), if a borrower—

"(1) disposed of normal income security prior to October 14, 1988, without the consent of the Secretary; and

"(2) demonstrates that—

"(A) the proceeds were utilized to pay essential household and farm operating expenses; and

"(B) the borrower would have been entitled to a release of income proceeds by the Secretary if the regulations in effect on the date of enactment of this subsection had been in effect at the time of the disposition,

the Secretary shall not consider the borrower to have acted without good faith to the extent of the disposition.

"(n) ONLY 1 WRITE-DOWN OR NET RECOVERY BUY-OUT PER BORROWER FOR A LOAN MADE AFTER JANUARY 6, 1988.—

"(1) IN GENERAL.—The Secretary may provide for any one borrower not more than 1 write-down or net recovery buy-out under this section with respect to all loans made to the borrower after January 6, 1988.

"(2) Special rule.—For purposes of paragraph (1), the Secretary shall treat any loan made on or before January 6, 1988, with respect to which a restructuring, write-down, or net recovery buy-out is provided under this section after such date, as a loan made after such date.

"(o) LIQUIDATION OF ASSETS.—The Secretary may not use the authority provided by this section to reduce or terminate any portion of the debt of the borrower that the borrower could pay through the liquidation of assets (or through the payment of the loan value of the assets, if the loan value is greater than the liquidation value) described in subsection (c)(2)(A)(ii).

"(p) LIFETIME LIMITATION ON DEBT FORGIVENESS PER BORROWER.—The Secretary may provide not more than $300,000 in principal and interest forgiveness under this section per borrower.".

SEC. 1817. DISTRIBUTION OF FUNDS ON INDIAN RESERVATIONS.

Section 355(b) (7 U.S.C. 355(b)) is amended by adding at the end the following new paragraph:

"(3) INDIAN RESERVATIONS.—In distributing loan funds in counties within the boundaries of an Indian reservation, the Secretary shall allocate the funds on a reservation-wide basis.".

SEC. 1818. BORROWER TRAINING.

(a) IN GENERAL.—Subtitle D (7 U.S.C. 1981 et seq.) is amended by adding at the end the following new section:

"SEC. 359. BORROWER TRAINING.

"(a) In General.—The Secretary shall enter into contracts to provide educational training to all borrowers of farmer program direct and guaranteed loans made under this title in financial and farm management concepts associated with commercial farming.

"(b) Contract.—

"(1) In general.—The Secretary may contract with State or private providers of farm management and credit counseling services (including a community college, the extension service of a State, a State department of agriculture, or a nonprofit organization) to carry out this section.

"(2) Consultation.—The Secretary may consult with the chief executive officer of a State concerning the identity of the contracting organization and the process for contracting.

"(c) Eligibility for Loans.—

"(1) In general.—Subject to paragraph (2), to be eligible to obtain a direct or guaranteed loan under this title, a borrower must obtain management assistance under this section, appropriate to the management ability of the borrower (as determined by the appropriate county committee established pursuant to section 332, during the determination of eligibility for the loan).

"(2) Loan conditions.—The need of a borrower who satisfies the criteria set out in section 302(a)(2) or 311(a)(2) for management assistance under this section shall not be cause for denial of eligibility of the borrower for a direct or guaranteed loan under this title.

"(d) Guidelines and Curriculum.—The Secretary shall issue regulations establishing guidelines and curriculum for the borrower training program established under this section.

"(e) Payment.—A borrower shall pay for training received under this section, and may use funds from operating loans made under subtitle B to pay for the training.

"(f) Waivers.—The Secretary may waive the requirements of this section for an individual borrower on a determination by the county committee that the borrower demonstrates adequate knowledge in areas described in this section.".

(b) Operating Loan Purposes.—Section 312(a) (7 U.S.C. 1942(a)) is amended—

(1) by striking "and" at the end of paragraph (11); and

(2) by inserting before the period at the end the following: ", and (13) borrower training under section 359".

SEC. 1819. LOAN ASSESSMENTS.

Subtitle D (7 U.S.C. 1981 et seq.) is amended by adding after the section added by section 1818(a) of this Act the following new section:

"SEC. 360. LOAN ASSESSMENTS.

"(a) In General.—After an applicant is determined eligible for assistance under this title by the appropriate county committee established pursuant to section 332, the Secretary shall evaluate, in accordance with regulations issued by the Secretary, the farming plan and financial situation of each qualified farmer or rancher applicant.

"(b) DETERMINATIONS.—In evaluating the farming plan and financial situation of an applicant under this section, the Secretary shall determine—

"(1) the amount that the applicant will need to borrow to carry out the proposed farming plan;

"(2) the rate of interest that the applicant would need to be able to cover expenses and build an adequate equity base;

"(3) the goals of the proposed farming plan of the applicant;

"(4) the financial viability of the plan and any changes that are necessary to make the plan viable; and

"(5) whether assistance is necessary under this title and, if so, the amount of the assistance.

"(c) CONTRACT.—The Secretary may contract with a third party (including those entities eligible to provide borrower training under section 359(b)) to conduct loan assessments under this section.

"(d) REVIEW OF LOANS.—

"(1) IN GENERAL.—Loan assessments conducted under this section shall include biannual review of direct loans, and periodic review (as determined necessary by the Secretary) of guaranteed loans, made under this title to assess the progress of a borrower in meeting the goals for the farm or ranch operation.

"(2) CONTRACTS.—The Secretary may contract with an entity that is eligible to provide borrower training under section 359(b) to conduct loan reviews under paragraph (1).

"(3) PROBLEM ASSESSMENTS.—If a borrower is delinquent in payments on a direct or guaranteed loan made under this title, the Secretary or the contracting entity shall determine the cause of, and action necessary to correct, the delinquency.

"(e) GUIDELINES.—The Secretary shall issue regulations providing guidelines for loan assessments conducted under this section.".

SEC. 1820. SUPERVISED CREDIT.

Subtitle D (7 U.S.C. 1981 et seq.) is amended by adding after the sections added by sections 1818(a) and 1819 of this Act the following new section:

"SEC. 361. SUPERVISED CREDIT.

"The Secretary shall provide adequate training to employees of the Farmers Home Administration on credit analysis and financial and farm management to—

"(1) better acquaint the employees with what constitutes adequate financial data on which to base a direct or guaranteed loan approval decision; and

"(2) ensure proper supervision of farmer program loans.".

SEC. 1821. MARKET PLACEMENT.

Subtitle D (7 U.S.C. 1981 et seq.) is amended by adding after the sections added by sections 1818(a), 1819, and 1820 of this Act the following new section:

"SEC. 362. MARKET PLACEMENT.

"The Secretary shall establish a market placement program for qualified beginning farmers and ranchers and other borrowers of farmer program loans that the Secretary believes have a reasonable chance of qualifying for commercial credit with a guarantee provided under this title.".

SEC. 1822. SENSE OF CONGRESS REGARDING ASSISTANCE FOR QUALIFIED BEGINNING FARMERS OR RANCHERS.

It is the sense of Congress that, in carrying out the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.), the Secretary of Agriculture should—

(1) establish innovative programs of finance and assistance for land transfer between generations and for establishment of new farm and ranch units;

(2) expand the use of the credit sale and land contract method for the sale of suitable property acquired under such Act; and

(3) maintain statistics on the number of loans made, insured, or guaranteed, and inventory farmland sold or leased, to qualified beginning farmers or ranchers under such Act.

SEC. 1823. SENSE OF CONGRESS REGARDING FmHA LOAN APPLICATION REVIEW AND LOAN SERVICING.

(a) FINDINGS.—Congress finds that reports issued by the Inspector General of the Department of Agriculture and the Comptroller General of the United States found problems with the system of loan application review, and monitoring of loan servicing of guaranteed loans, used under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.).

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of Agriculture should quickly take all actions necessary to correct the problems identified by the reports and report to Congress on the actions taken.

SEC. 1824. PROHIBITION ON USE OF LOANS FOR CERTAIN PURPOSES.

Subtitle D of the Consolidated Farm and Rural Development Act is amended by adding after the sections added by sections 1818(a), 1819, 1820, and 1821 of this Act the following new section:

"SEC. 363. PROHIBITION ON USE OF LOANS FOR CERTAIN PURPOSES.

"The Secretary shall not approve any loan under this title to drain, dredge, fill, level, or otherwise manipulate a wetland (as defined in section 1201(a)(16) of the Food Security Act of 1985 (16 U.S.C. 3801(a)(16)), or to engage in any activity that results in impairing or reducing the flow, circulation, or reach of water, except in the case of activity related to the maintenance of previously converted wetlands, or in the case of such activity that is already commenced prior to the date of enactment of this section.".

Subtitle B—Farm Credit System

SEC. 1831. REFERENCES TO THE FARM CREDIT ACT OF 1971.

Wherever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Farm Credit Act of 1971 (12 U.S.C. 2001 et seq.), except to the extent otherwise specifically provided.

SEC. 1832. FINANCING FOR BASIC PROCESSING AND MARKETING OPERATIONS OWNED BY BONA FIDE PRODUCERS.

(a) FARM CREDIT BANKS.—Section 1.11(a) (12 U.S.C. 2019(a)) is amended—

(1) by striking "(a) Agricultural or Aquatic Purposes.—Loans made by a Farm Credit Bank" and inserting the following:

"(a) Agricultural or Aquatic Purposes.—

"(1) In general.—Loans made by a Farm Credit Bank";

(2) by striking "at least 20 percent," and all that follows through "Farm Credit Administration," and inserting "some portion"; and

(3) by adding after and below the end the following new paragraph:

"(2) Limitation on loans for basic processing and marketing operations.—The aggregate of the financing provided by any Farm Credit Bank for basic processing and marketing directly related to the operations of farmers, ranchers, and producers or harvesters of aquatic products, if the operations of the applicant supply less than 20 percent of the total processing or marketing for which financing is extended, shall not exceed 15 percent of the total of all outstanding loans of such bank.".

(b) PRODUCTION CREDIT ASSOCIATIONS.—Section 2.4(a)(1) (12 U.S.C. 2075(a)(1)) is amended by striking "at least 20 percent," and all that follows through the end of the paragraph and inserting "some portion of the total processing or marketing for which financing is extended, except that the aggregate of the financing provided by any association for basic processing and marketing directly related to the operations of farmers, ranchers, and producers or harvesters of aquatic products, if the operations of the applicant supply less than 20 percent of the total processing or marketing for which financing is extended, shall not exceed 15 percent of the total of all outstanding loans of all associations in the district at the end of its preceding fiscal year;".

SEC. 1833. RESTORATION OF FIRST LIEN ON STOCK.

Subtitle A of title II is amended—

(1) by redesignating section 2.6 (12 U.S.C. 2077) as section 2.7; and

(2) by inserting after section 2.5 (12 U.S.C. 2076) the following new section:

"SEC. 2.6. LIENS ON STOCK.

"Except with regard to stock or participation certificates held by other Farm Credit System institutions, each production credit association shall have a first lien on stock and participation certificates the association issues, on allocated surplus, and on investments in equity reserve, for any indebtedness of the holder of the capital investments and, in the case of equity reserves, for charges for association losses in excess of reserves and surpluses.".

SEC. 1834. INSURANCE SERVICES.

Section 4.29 (12 U.S.C. 2218) is amended—

(1) in subsection (a)(2)—

(A) in the first sentence, by inserting before the period at the end the following: ", if more than two insurers for each type of insurance have proposed programs to a bank that will, in all likelihood, have long-term viability and meet the requirements of subsection (b)(2)(D)"; and

(B) in the third sentence, by inserting before the period at the end the following: ", if at least two insurers have been approved in accordance with this paragraph"; and

(2) in subsection (b)(2)(E), by inserting before the semicolon at the end the following: ", if at least two insurers have been approved in accordance with subsection (a)(2)".

SEC. 1835. CLARIFICATION OF CONTENTS OF CERTIFIED STATEMENTS.

Subsection (a) of section 5.56 (12 U.S.C. 2277a–5(a)) is amended to read as follows:

"(a) FILING CERTIFIED STATEMENT.—Annually, on a date to be determined in the sole discretion of the Board of Directors, each insured System bank that became insured before the beginning of the year shall file with the Corporation a certified statement showing—

"(1) the annual average principal outstanding on loans made by the bank that are in accrual status, including the nonguaranteed portions of government-guaranteed loans;

"(2) the annual average principal outstanding on the guaranteed portion of Federal Government-guaranteed loans (as defined in section 5.55(a)(2)) that are in accrual status;

"(3) the annual average principal outstanding on State government-guaranteed loans (as defined in section 5.55(a)(2)) that are in accrual status;

"(4) the annual average principal outstanding on loans that are in nonaccrual status; and

"(5) the amount of the premium due the Corporation from the bank for the year.".

SEC. 1836. TERMINATION DATE FOR FARM CREDIT SYSTEM ASSISTANCE BOARD.

(a) USE OF INSURANCE FUND.—Section 5.60(c) (12 U.S.C. 2277a–9(c)) is amended—

(1) in paragraph (1), by striking "5 years after the date of the enactment of this part" and inserting "January 1, 1993"; and

(2) in paragraph (2), by striking "5 years after the date of enactment of this part" and inserting "January 1, 1993".

(b) POWERS OF CORPORATION WITH RESPECT TO TROUBLED INSURED SYSTEM BANKS.—Section 5.61(f) (12 U.S.C. 2277a–10(f)) is amended by striking "beginning on the date of the enactment of this part" and inserting "prior to January 1, 1993".

SEC. 1837. EMPLOYMENT OF CERTAIN PERSONS BY FARM CREDIT SYSTEM INSTITUTIONS.

Section 5.65(d) (12 U.S.C. 2277a–14(d)) is amended—

(1) in paragraph (1), by striking "insured System bank" and inserting "insured System institution"; and

(2) in paragraph (2), by striking "bank" and inserting "institution".

SEC. 1838. TERMINATION OF SYSTEM INSTITUTION STATUS OF CALIFORNIA LIVESTOCK PRODUCTION CREDIT ASSOCIATION.

(a) AUTHORITY TO TERMINATE.—Notwithstanding any other provision of law, effective on the date of enactment of this Act, the California Livestock Production Credit Association may terminate the status of the Association as a Farm Credit System institution.

(b) REQUIREMENTS.—*Notwithstanding section 7.10(a)(4) of the Farm Credit Act of 1971 (12 U.S.C. 2279(a)(4)), the California Livestock Production Credit Association shall not (on termination) be—*

(1) required to pay any part of the last $1,000,000 of its capital; or

(2) restricted from transferring any part of the $1,000,000 to its successor institution.

SEC. 1839. SECONDARY MARKET FOR GUARANTEED FARMER PROGRAM LOANS.

(a) DEFINITION OF CERTIFIED FACILITY.—*Paragraph (3) of section 8.0 (12 U.S.C. 2279aa(3)) is amended to read as follows:*

"(3) CERTIFIED FACILITY.—*The term 'certified facility' means—*

"(A) a secondary marketing agricultural loan facility that is certified under section 8.5; or

"(B) the Corporation and any affiliate thereof, but only with respect to qualified loans described in paragraph (9)(B).".

(b) DEFINITION OF QUALIFIED LOAN.—*Paragraph (9) of section 8.0 (12 U.S.C. 2279aa(9)) is amended to read as follows:*

"(9) QUALIFIED LOAN.—*The term 'qualified loan' means an obligation—*

"(A)(i) that is secured by a fee-simple or leasehold mortgage with status as a first lien, on agricultural real estate located in the United States that is not subject to any legal or equitable claims deriving from a preceding fee-simple or leasehold mortgage;

"(ii) of—

"(I) a citizen or national of the United States or an alien lawfully admitted for permanent residence in the United States; or

"(II) a private corporation or partnership whose members, stockholders, or partners holding a majority interest in the corporation or partnership are individuals described in subclause (I); and

"(iii) of a person, corporation, or partnership that has training or farming experience that, under criteria established by the Corporation, is sufficient to ensure a reasonable likelihood that the loan will be repaid according to its terms; or

"(B) that is the portion of a loan guaranteed by the Secretary of Agriculture pursuant to the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.), except that—

"(i) subsections (b) through (f) of section 8.6, and sections 8.7, 8.8, and 8.9, shall not apply to the portion of a loan guaranteed by the Secretary or to an obligation, pool, or security representing an interest in or obligation backed by a pool of obligations relating to the portion of a loan guaranteed by the Secretary; and

"(ii) the portion of a loan guaranteed by the Secretary shall be considered to meet all standards for qualified loans for all purposes under this Act.".

SEC. 1840. AUTHORITY OF FARM CREDIT ADMINISTRATION TO REGULATE FEDERAL AGRICULTURAL MORTGAGE CORPORATION.

Section 8.11 (12 U.S.C. 2279aa-11) is amended—

(1) in subsection (a), by amending paragraph (1) to read as follows:

"(1) AUTHORITY.—Notwithstanding any other provision of this Act, the Farm Credit Administration shall have the authority to—

"(A) provide for the examination of the condition of the Corporation and its affiliates; and

"(B) provide for the general supervision of the safe and sound performance of the powers, functions, and duties vested in the Corporation and its affiliates by this title, including through the use of the enforcement powers of the Farm Credit Administration under part C of title V."; and

(2) by adding at the end the following new subsection:

"(e) DEFINITION OF AFFILIATE.—As used in this title, the term 'affiliate' shall mean an entity effectively controlled or owned by the Corporation, except that such term shall not include a certified facility or an originator (as defined in paragraphs (3) and (7), respectively, of section 8.0).".

SEC. 1841. EXCLUSION OF FARM CREDIT ADMINISTRATION FROM SENIOR EXECUTIVE SERVICE.

Section 3132(a)(1)(D) of title 5, United States Code, is amended by inserting "the Farm Credit Administration," after "Corporation,".

SEC. 1842. GAO STUDY OF RURAL CREDIT COST AND AVAILABILITY.

(a) STUDY.—The Comptroller General of the United States shall conduct a study of certain matters related to the cost and availability of credit in rural America, including a study of—

(1) the relationship of the role and lending volume of the Farm Credit System to the ability of the System to repay the assistance provided under the Agricultural Credit Act of 1987 (Public Law 100-233) and amendments made by such Act;

(2) the ability of Farm Credit System institutions to be competitive taking into consideration the costs of rebuilding capital, repaying assistance, and capitalizing the Farm Credit Insurance Fund established under section 5.60 of the Farm Credit Act of 1971 (12 U.S.C. 2277a-9);

(3) the rates Farm Credit Banks charge for credit and the rates prevailing in the market for credit of comparable risk and maturity;

(4) the potential for credit pricing practices of rural lending institutions to adversely affect the financial soundness of other lending institutions that provide agricultural credit;

(5) the pricing practices of commercial lending and insurance institutions and whether the practices adequately address the level of risk in agricultural lending;

(6) whether the assistance authorized under the Agricultural Credit Act of 1987 and the amendments made by such Act, is being utilized in accordance with the purposes intended by Congress;

(7) the availability and adequacy of credit in rural America for the purpose of financing agricultural production, infrastruc-

ture development (including development of roads, bridges, and water systems), and rural development;

(8) the prudence and desirability for commercial lenders and Farm Credit System institutions who serve primarily agriculture to broaden lending activity to provide diversity in their portfolios;

(9) the level of competitiveness among the major sector lenders in agriculture, whether competition among such lenders has increased or decreased in the last 5 years, and whether American producers have benefited from the competitive situation; and

(10) the level of farm lending activity, in relation to the total asset level, of agricultural lending institutions in rural America and the level of investment by the institutions outside of the rural community or area in which the lending institutions are located.

(b) REPORT.—Not later than 2 years after the date of enactment of this Act, the Comptroller General shall submit a report on the study conducted under subsection (a) (including any related recommendations) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

SEC. 1843. SALARIES AND COMPENSATION PAID BY SYSTEM INSTITUTIONS.

(a) REPEAL OF AUTHORITY OF FARM CREDIT ADMINISTRATION TO APPROVE SALARIES AND COMPENSATION PAID BY SYSTEM INSTITUTIONS.—

(1) IN GENERAL.—Section 5.17(a) (12 U.S.C. 2252(a)) is amended by striking paragraph (13).

(2) CONFORMING AMENDMENT.—Section 6.6(a)(8)(B) (12 U.S.C. 2278a–6(a)(8)(B)) is amended by striking "notwithstanding the authority of the Farm Credit Administration to approve such matters".

(b) INCLUSION OF COMPENSATION ANALYSIS IN BANK EXAMINATION.—Section 5.19(a) (12 U.S.C. 2254(a)) is amended by inserting after the third sentence the following: "Examination of banks shall include an analysis of the compensation paid to the chief executive officer and the salary scales of the employees of the bank.".

Subtitle C—Miscellaneous

SEC. 1851. ECONOMIC EMERGENCY LOAN PROGRAM.

The Emergency Agricultural Credit Adjustment Act of 1978 (7 U.S.C. prec. 1961 note) is hereby repealed.

SEC. 1852. AUTHORIZATION OF APPROPRIATIONS FOR FARM OWNERSHIP OUTREACH PROGRAM TO SOCIALLY DISADVANTAGED INDIVIDUALS.

Section 623 of the Agricultural Credit Act of 1987 (7 U.S.C. 1985 note) is amended—

(1) by inserting "(a) IN GENERAL.—" before "The Secretary"; and

(2) by adding at the end the following new subsection:

"(b) Authorization of Appropriations.—There are authorized to be appropriated to carry out this section $2,500,000 for each of the fiscal years 1991 through 1995.".

SEC. 1853. STATE MEDIATION PROGRAMS.

Section 506 of the Agricultural Credit Act of 1987 (7 U.S.C. 5106) is amended by striking "1991" and inserting "1995".

SEC. 1854. INDIAN LAND ACQUISITION PROGRAM.

(a) Limited Resource Interest Rate.—Section 5 of Public Law 91–229 (25 U.S.C. 492) is amended by striking "section 307(a)" and inserting "section 307(a)(3)(B)".

(b) Authorization of Appropriations.—Public Law 91–229 (25 U.S.C. 488 et seq.) is amended by adding at the end the following new section:

"SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this Act $8,000,000 for each of the fiscal years 1991 through 1995.".

Subtitle D—Effective Dates

SEC. 1861. EFFECTIVE DATES.

(a) In General.—Except as otherwise provided in this title, this title and the amendments made by this title shall become effective on the date of enactment of this Act.

(b) Notice of Debt Settlement Programs.—The amendment made by section 1807(1) of this Act shall become effective 120 days after the date of enactment of this Act.

(c) Debt Restructuring and Loan Servicing.—

(1) In general.—Except as provided in section 353(c)(6)(A)(ii) of the Consolidated Farm and Rural Development Act (as added by section 1816(f) of this Act) and in paragraph (3) of this subsection, section 1816 of this Act and the amendments made by such section 1816 shall apply to new applications submitted under section 353 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2001) on or after the date of enactment of this Act.

(2) Definition of new application.—As used in paragraph (1), the term "new application" means an application submitted by a borrower to initiate a debt restructuring consideration and not an application reconsidered after an appeal or revision of the original application.

(3) Liquidation of assets.—Section 353(o) of the Consolidated Farm and Rural Development Act (as added by section 1816(h) of this Act) shall not apply until the Secretary of Agriculture has issued final regulations to carry out such section 353(o).

(d) Restoration of First Lien on Stock.—The amendment made by section 1833 of this Act shall be effective as of January 7, 1988.

(e) Regulations.—As soon as practicable after the date of enactment of this Act—

(1) the Secretary of Agriculture shall issue such regulations as are necessary to carry out subtitles A and C of this Act and the amendments made by such subtitles; and

(2) the Farm Credit Administration shall issue such regulations as are necessary to carry out subtitle B of this Act and the amendments made by such subtitle.

TITLE XIX—AGRICULTURAL PROMOTION

SEC. 1901. SHORT TITLE.

This Act may be cited as the "Agricultural Promotion Programs Act of 1990".

Subtitle A—Pecans

SEC. 1905. SHORT TITLE.

This subtitle may be cited as the "Pecan Promotion and Research Act of 1990".

SEC. 1906. FINDINGS AND DECLARATION OF POLICY.

(a) FINDINGS.—Congress finds that—

(1) pecans are a native American nut that is an important food, and is a valuable part of the human diet;

(2) the production of pecans plays a significant role in the economy of the United States in that pecans are produced by thousands of pecan producers, shelled and processed by numerous shellers and processors, and pecans produced in the United States are consumed by millions of people throughout the United States and foreign countries;

(3) pecans must be high quality, readily available, handled properly, and marketed efficiently to ensure that consumers have an adequate supply of pecans;

(4) the maintenance and expansion of existing markets and development of new markets for pecans are vital to the welfare of pecan producers and those concerned with marketing, using, and producing pecans, as well as to the general economy of the United States, and necessary to ensure the ready availability and efficient marketing of pecans;

(5) there exist established State organizations conducting pecan promotion, research, and industry and consumer education programs that are invaluable to the efforts of promoting the consumption of pecans;

(6) the cooperative development, financing, and implementation of a coordinated national program of pecan promotion, research, industry information, and consumer information are necessary to maintain and expand existing markets and develop new markets for pecans; and

(7) pecans move in interstate and foreign commerce, and pecans that do not move in such channels of commerce directly burden or affect interstate commerce in pecans.

(b) POLICY.—It is declared to be the policy of Congress that it is in the public interest to authorize the establishment, through the exercise of the powers provided in this subtitle, of an orderly procedure

for developing, financing (through adequate assessments on pecans produced or imported into the United States), and carrying out an effective, continuous, coordinated program of promotion, research, industry information, and consumer information designed to—

(1) strengthen the pecan industry's position in the marketplace;

(2) maintain and expand existing domestic and foreign markets and uses for pecans; and

(3) develop new markets and uses for pecans.

(c) CONSTRUCTION.—Nothing in this subtitle may be construed to provide for the control of production or otherwise limit the right of any person to produce pecans.

SEC. 1907. DEFINITIONS.

As used in this subtitle—

(1) BOARD.—The term "Board" means the Pecan Marketing Board established in section 1910(b).

(2) COMMERCE.—The term "commerce" means interstate, foreign, or intrastate commerce.

(3) CONFLICT OF INTEREST.—The term "conflict of interest" means a situation in which a member has a direct or indirect financial interest in a corporation, partnership, sole proprietorship, joint venture, or other business entity dealing directly or indirectly with the Board.

(4) CONSUMER INFORMATION.—The term "consumer information" means information and programs that will assist consumers and other persons in making evaluations and decisions regarding the purchase, preparation, and use of pecans.

(5) DEPARTMENT.—The term "Department" means the Department of Agriculture.

(6) DISTRICT.—The term "district" means a geographical area of the United States, as determined by the Board and approved by the Secretary, in which there is produced approximately one-fourth of the volume of pecans produced in the United States.

(7) FIRST HANDLER.—The term "first handler" means the first person who buys or takes possession of pecans from a grower for marketing. If a grower markets pecans directly to consumers, such grower shall be considered the first handler with respect to pecans grown by such grower.

(8) GROWER.—The term "grower" means any person engaged in the production and sale of pecans in the United States who owns, or who shares the ownership and risk of loss of, such pecans.

(9) GROWER-SHELLER.—The term "grower-sheller" means a person who—

(A) shells pecans, or has pecans shelled for such person, in the United States; and

(B) during the immediately previous year, grew 50 percent or more of the pecans such person shelled or had shelled for such person.

(10) HANDLE.—The term "handle" means receipt of in-shell pecans by a sheller or first handler, including pecans produced by such sheller or first handler.

(11) IMPORTER.—The term "importer" means any person who imports pecans from outside of the United States for sale in the United States.

(12) INDUSTRY INFORMATION.—The term "industry information" means information and programs that will lead to the development of new markets and marketing strategies, increased efficiency, and activities to enhance the image of the pecan industry.

(13) IN-SHELL PECAN.—The term "in-shell pecan" means a pecan that has a shell that has not been removed.

(14) TO MARKET.—The term "to market" means to sell or offer to dispose of pecans in any channel of commerce.

(15) MEMBER.—The term "member" means a member of the Board.

(16) PECAN.—The term "pecan" means the nut of the pecan tree carya illinoensis.

(17) PERSON.—The term "person" means any individual, group of individuals, partnership, corporation, association, cooperative, or any other entity.

(18) PLAN.—The term "plan" means a plan issued under section 1908.

(19) PROMOTION.—The term "promotion" means any action taken by the Board, pursuant to this subtitle, to present a favorable image of pecans to the public with the express intent of improving the competitive position of pecans in the marketplace and stimulating sales of pecans, including paid advertising.

(20) RESEARCH.—The term "research" means any type of test, study, or analysis designed to advance the image, desirability, usage, marketability, production, product development, or quality of pecans.

(21) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(22) SHELL.—The term "shell" means to remove the shell from an inshell pecan.

(23) SHELLED PECAN.—The term "shelled pecan" means a pecan kernel, or portion of a kernel, after the pecan shell has been removed.

(24) SHELLER.—The term "sheller" means any person who—

(A) shells pecans or has pecans shelled for the account of such person; and

(B) during the immediately previous year, purchased more than 50 percent of the pecans such person shelled or had shelled for such account.

(25) STATE.—The term "State" means any of the several States, the District of Columbia and the Commonwealth of Puerto Rico.

(26) UNITED STATES.—The term "United States" means collectively the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

SEC. 1908. ISSUANCE OF PLANS.

(a) IN GENERAL.—To effectuate the declared policy of section 1906(b), the Secretary shall, subject to this subtitle, issue and from time to time amend, plans applicable to growers, grower-shellers,

shellers, first handlers, and importers of pecans. Any such plan shall be national in scope. Not more than one plan shall be in effect under this subtitle at any one time.

(b) PROCEDURE.—

(1) PROPOSAL FOR ISSUANCE OF PLAN.—The Secretary may propose the issuance of a plan under this subtitle, or an association of pecan growers or grower-shellers or any other person that will be affected by this subtitle may request the issuance of, and submit a proposal for, such a plan.

(2) PROPOSED PLAN.—Not later than 60 days after the receipt of a request and proposal by an interested person for a plan, or when the Secretary determines to propose a plan, the Secretary shall publish a proposed plan and give due notice and opportunity for public comment on the proposed plan.

(3) ISSUANCE OF PLAN.—After notice and opportunity for public comment are given, as provided in paragraph (2), the Secretary shall issue a plan, taking into consideration the comments received and including in the plan provisions necessary to ensure that the plan is in conformity with the requirements of this subtitle.

(4) EFFECTIVE DATE OF PLAN.—Such plan shall be issued and become effective not later than 150 days following publication of the proposed plan.

(c) AMENDMENTS.—The Secretary, from time to time, may amend any plan issued under this section. The provisions of this subtitle applicable to a plan shall be applicable to amendments to a plan.

SEC. 1909. REGULATIONS.

The Secretary may issue such regulations as are necessary to carry out this subtitle.

SEC. 1910. REQUIRED TERMS IN PLANS.

(a) IN GENERAL.—Each plan issued under this subtitle shall contain the terms and conditions prescribed in this section.

(b) PECAN MARKETING BOARD.—

(1) ESTABLISHMENT.—The plan shall establish a Pecan Marketing Board to carry out the program referred to in section 1906(b).

(2) SERVICE TO ENTIRE INDUSTRY.—The Board shall carry out programs and projects that will provide maximum benefit to the pecan industry in all parts of the United States and only generically promote pecans.

(3) BOARD MEMBERSHIP.—The Board shall consist of 15 members, including—

(A) 8 members who are growers;

(B) 4 members who are shellers;

(C) one member who is a first handler and who derives over 50 percent of the member's gross income from buying and selling pecans;

(D) one member who is an importer of pecans into the United States, nominated by the Board;

(E) one member representing the general public, nominated by the Board; and

(F) at the option of the Board, a consultant or advisor representing the views of pecan producers in a country other

than the United States who may be chosen to attend Board functions as a nonvoting member.

(4) Representation of members.—

(A) Grower representatives.—Of the growers referred to in paragraph (3)(A), 2 members shall be from each district.

(B) Sheller representatives.—Of the shellers referred to in paragraph (3)(B)—

(i) 2 members shall be selected from among shellers whose place of residence is east of the Mississippi River; and

(ii) 2 members shall be selected from among shellers whose place of residence is west of the Mississippi River.

(C) First handler representative.—The first handler representative on the Board referred to in paragraph (3)(C) shall be selected from among first handlers whose place of residence is in a district.

(D) Importer representative.—The importer representative on the Board referred to in paragraph (3)(D) shall be an individual who imports pecans into the United States.

(E) Public representative.—The public representative on the Board referred to in paragraph (3)(E) shall not be a grower, grower-sheller, sheller, first handler, or importer.

(5) Alternate for each member.—Each member of the Board shall have an alternate with the same qualifications as the member such alternate would replace.

(6) Limitation on State residence.—There shall be no more than one member from each State in each district, except that the State of Georgia may have 2 growers from such State representing the district that it is in.

(7) Modifying board membership.—In accordance with regulations approved by the Secretary, at least once each 3 years and not more than once each 2 years, the Board shall—

(A) review the geographic distribution of pecan production throughout the United States; and

(B) if warranted, recommend to the Secretary that the Secretary reapportion a district in order to reflect the geographic distribution of pecan production.

(8) Selection process for members.—

(A) Publicity.—The Board shall give reasonable publicity to the industry for nomination of persons interested in being nominated for Board membership.

(B) Eligibility.—Each grower and sheller shall be eligible to vote for the nomination of members who represent that class of members on the Board. Growers shall be eligible to vote for the nomination of the first handler members on the Board.

(C) Selection of nominees.—Each person referred to in subparagraph (B) shall have one vote. The 2 eligible candidates receiving the largest number of votes cast for each Board position for each class of members shall be the nominees for such position.

(D) CERTIFICATION.—Except for the establishment of the initial Board, the nominations made under subparagraph (C) and subsections (b)(3)(D) and (b)(3)(E) shall be certified by the Board and submitted to the Secretary no later than May 1 or such other date recommended by the Board and approved by the Secretary preceding the commencement of the term of office for Board membership, as established in paragraph (9).

(E) APPOINTMENT.—To each vacant Board position, the Secretary shall appoint 1 individual from among the nominees certified and submitted under subparagraph (D).

(F) REJECTION OF NOMINEES.—The Secretary may reject any nominee submitted under subparagraph (D). If there are insufficient nominees from which to appoint members to the Board as a result of the Secretary's rejecting such nominees, additional nominees shall be submitted to the Secretary in the same manner.

(G) INITIAL BOARD.—The Secretary shall establish an initial Board from among nominations solicited by the Secretary. For the purpose of obtaining nominations for the members of the initial Board described in paragraph 3 (A), (B), and (C), the Secretary shall perform the functions of the Board under this subsection as the Secretary determines necessary and appropriate. Nominations for those members of the initial Board described in paragraph (3) (D) and (E) shall be made in accordance with paragraph (3).

(H) FAILURE TO NOMINATE.—If growers and shellers fail to nominate individuals for appointment, the Secretary may appoint members on a basis provided for in the plan. If the Board fails to nominate an importer or a public representative, such member may be appointed without a nomination.

(9) TERMS OF OFFICE.—

(A) IN GENERAL.—The members of the Board shall serve for a term of 3 years, except that the members appointed to the initial Board established under paragraph (8)(G) shall serve, proportionately, for terms of 1, 2, and 3 years, as determined by the Secretary.

(B) TERMINATION OF TERMS.—Notwithstanding subparagraph (C), each member shall continue to serve until a successor is appointed by the Secretary.

(C) LIMITATION ON TERMS.—No individual may serve more than 2 consecutive 3-year terms as a member.

(D) VACANCIES.—

(i) SUBMITTING NOMINATIONS.—To fill any vacancy created by the death, removal, resignation, or disqualification of any member of the Board, the Secretary shall request that at least 2 eligible nominations for a successor for each such vacancy be submitted by the Board in the manner provided in paragraph (8).

(ii) LACK OF NOMINATIONS.—If at least 2 eligible nominations are not submitted under clause (i), the Secretary shall determine the manner of submission of nominations for the vacancy.

(10) Compensation.—A member of the Board shall serve without compensation, but shall be reimbursed for necessary and reasonable expenses incurred in the performance of duties for and approved by the Board.

(c) Powers and Duties of the Board.—The plan shall define the powers and duties of the Board, which shall include the power and duty—

(1) to administer the plan in accordance with its terms and conditions;

(2) to make regulations to effectuate the terms and conditions of the plan;

(3) to meet, organize, and select from among members of the Board a chairperson, other officers, and committees and subcommittees, as the Board determines appropriate;

(4) to establish working committees of persons other than Board members;

(5) to employ such persons, other than Board members, as the Board considers necessary and to determine the compensation and define the duties of such persons;

(6) to prepare and submit for the approval of the Secretary, prior to the beginning of each fiscal period, a recommended rate of assessment under section 1912, and a fiscal period budget of the anticipated expenses in the administration of the plan, including the probable costs of all programs and projects;

(7) to develop programs and projects, subject to subsection (d);

(8) to enter into contracts or agreements, subject to subsection (e), to develop and carry out programs or projects of promotion, research, industry information and consumer information;

(9) to carry out research, promotion, industry information, and consumer information, and to pay the costs of such projects with assessments collected pursuant to section 1912;

(10) to keep minutes, books, and records that reflect the actions and transactions of the Board, and promptly report minutes of each Board meeting to the Secretary;

(11) to appoint and convene, from time to time, working committees comprised of growers, grower-shellers, first handlers, shellers, importers, and the public to assist in the development of research, promotion, industry information, and consumer information programs for pecans;

(12) to invest, pending disbursement under a program or project, funds collected through assessments authorized under this subtitle, only in—

(A) obligations of the United States or any agency thereof;

(B) general obligations of any State or any political subdivision thereof;

(C) any interest-bearing account or certificate of deposit of a bank that is a member of the Federal Reserve System; or

(D) obligations fully guaranteed as to principal and interest by the United States;

except that income from any such invested funds may be used for any purpose for which the invested funds may be used;

(13) to receive, investigate, and report to the Secretary complaints of violations of the plan;

(14) to furnish the Secretary with such information as the Secretary may request;

(15) to recommend to the Secretary amendments to the plan; and

(16) to develop and recommend to the Secretary for approval such regulations as may be necessary for the development and execution of programs or projects, or as may otherwise be necessary, to carry out the plan.

(d) PROGRAMS AND BUDGETS.—

(1) SUBMISSION TO SECRETARY.—The plan shall provide that the Board shall submit to the Secretary for approval any program or project of promotion, research, consumer information, or industry information. No program or project shall be implemented prior to its approval by the Secretary.

(2) BUDGETS.—The plan shall require the Board, prior to the beginning of each fiscal year, or as may be necessary after the beginning of such fiscal year, to submit to the Secretary for approval budgets of its anticipated expenses (including reimbursements under subsection (b)(10)) and disbursements in the implementation of the plan, including projected costs of promotion, research, consumer information, and industry information programs and projects.

(3) INCURRING EXPENSES.—The Board may incur such expenses for programs or projects of research, promotion, consumer information, or industry information, and other expenses for the administration, maintenance, and functioning of the Board as may be authorized by the Secretary, including any implementation, administrative, and referendum costs incurred by the Department.

(4) PAYING EXPENSES.—The funds to cover the expenses referred to in paragraph (3) shall be paid by the Board from assessments collected under section 1912 or funds borrowed pursuant to paragraph (5).

(5) AUTHORITY TO BORROW.—In order to meet the expenses referred to in paragraph (3), the Board shall have the authority to borrow funds, as approved by the Secretary, for capital outlays and startup costs.

(6) LIMITATION ON SPENDING.—Effective on the date that is 3 years after the date of the establishment of the Board, the Board shall not spend in excess of 20 percent of the assessments collected under section 1912 for administration of the Board.

(e) CONTRACTS AND AGREEMENTS.—

(1) IN GENERAL.—To ensure efficient use of funds, the plan shall provide that the Board may enter into contracts or agreements for the implementation and carrying out of programs or projects of pecan promotion, research, consumer information, or industry information, including contracts with grower and grower-sheller organizations, and for the payment of the cost thereof with funds received by the Board under the plan.

(2) REQUIREMENTS.—Any such contract or agreement shall provide that—

(A) the contracting party shall develop and submit to the Board a program or project together with a budget or budg-

ets that shall show estimated costs to be incurred for such program or project;

(B) the program or project shall become effective on the approval of the Secretary; and

(C) the contracting party shall keep accurate records of all of its transactions, account for funds received and expended, make periodic reports to the Board of activities conducted, and make such other reports as the Board or the Secretary may require.

(3) GROWER AND GROWER-SHELLER ORGANIZATIONS.—The plan shall provide that the Board may contract with grower and grower-sheller organizations for any other services. Any such contract shall include provisions comparable to those required by paragraph (2).

(f) BOOKS AND RECORDS OF BOARD.—

(1) IN GENERAL.—The plan shall require the Board to—

(A) maintain such books and records (which shall be available to the Secretary for inspection and audit) as the Secretary may prescribe;

(B) prepare and submit to the Secretary, from time to time, such reports as the Secretary may prescribe; and

(C) account for the receipt and disbursement of all funds entrusted to the Board.

(2) AUDITS.—The Board shall cause its books and records to be audited by an independent auditor at the end of each fiscal year, and a report of such audit to be submitted to the Secretary.

(g) PROHIBITION.—The Board shall not engage in any action to, nor shall any funds received by the Board under this subtitle be used to—

(1) influence legislation or governmental action, other than recommending to the Secretary amendments to the plan;

(2) engage in any action that would be a conflict of interest; or

(3) engage in any advertising that may be false or misleading.

(h) BOOKS AND RECORDS.—

(1) IN GENERAL.—The plan shall require that each first handler, grower-sheller, or importer shall—

(A) maintain and submit to the Board any reports considered necessary by the Secretary to ensure compliance with this subtitle; and

(B) make available during normal business hours, for inspection by employees of the Board or Secretary, such books and records as are necessary to carry out this subtitle, including such records as are necessary to verify any required reports.

(2) TIME REQUIREMENT.—The records required under paragraph (1) shall be maintained for 2 years beyond the fiscal period of the applicability of such records.

(3) CONFIDENTIALITY.—

(A) IN GENERAL.—Except as otherwise provided in this subtitle, all information obtained from books, records, or reports required to be maintained under paragraph (1) shall

be kept confidential, and shall not be disclosed to the public by any person.

(B) DISCLOSURE.—Information referred to in subparagraph (A) may be disclosed to the public only if—

(i) the Secretary considers the information relevant;

(ii) the information is revealed in a suit or administrative hearing brought at the direction or on the request of the Secretary or to which the Secretary or any officer of the Department is a party; and

(iii) the information relates to this subtitle.

(C) MISCONDUCT.—Any disclosure of confidential information in violation of subparagraph (A) by any Board member or employee of the Board, except as required by other law or allowed under subparagraph (B) or (D), shall be considered a violation of this subtitle.

(D) GENERAL STATEMENTS.—Nothing in this paragraph may be construed to prohibit—

(i) the issuance of general statements, based on the reports, of the number of persons subject to the plan or statistical data collected therefrom, which statements do not identify the information furnished by any person; or

(ii) the publication, by direction of the Secretary, of the name of any person violating the plan, together with a statement of the particular provisions of the plan violated by such person.

(4) AVAILABILITY OF INFORMATION.—

(A) EXCEPTION.—Except as provided in this subtitle, information obtained under this subtitle may be made available to another agency of the Federal Government for a civil or criminal law enforcement activity if the activity is authorized by law and if the head of the agency has made a written request to the Secretary specifying the particular information desired and the law enforcement activity for which the information is sought.

(B) PENALTY.—Any person knowingly violating this subsection, on conviction, shall be subject to a fine of not more than $1,000 or to imprisonment for not more than 1 year, or both, and if an officer or employee of the Board or the Department, shall be removed from office.

(5) WITHHOLDING INFORMATION.—Nothing in this subtitle shall be construed to authorize the withholding of information from Congress.

(i) USE OF ASSESSMENTS.—The plan shall provide that the assessments collected under section 1912 shall be used for payment of the expenses in implementing and administering this subtitle, with provision for a reasonable reserve, and to cover those administrative costs incurred by the Secretary in implementing and administering this subtitle, except for the salaries of Government employees incurred in conducting referenda.

(j) OTHER TERMS AND CONDITIONS.—The plan also shall contain such terms and conditions, not inconsistent with this subtitle, as determined necessary by the Secretary to effectuate this subtitle.

SEC. 1911. PERMISSIVE TERMS IN PLANS.

(a) IN GENERAL.—A plan issued pursuant to this subtitle may contain one or more of the terms and conditions contained in this section.

(b) EXEMPTIONS.—The plan may provide authority to exempt from the plan pecans used for nonfood uses and authority for the Board to require satisfactory safeguards against improper uses of such exemptions.

(c) DIFFERENT PAYMENT AND REPORTING SCHEDULES.—The plan may provide authority to designate different payment and reporting schedules for growers, grower-shellers, first handlers and importers to recognize differences in marketing practices and procedures utilized in different production areas.

(d) PROMOTION.—The plan may provide for the establishment, issuance, effectuation, and administration of appropriate programs or projects for the promotion of pecans and for the disbursement of necessary funds for such purposes, except that—

(1) any such program or project shall be directed toward increasing the general demand for pecans; and

(2) such promotional activities shall comply with other restrictions on the use of funds that are established under this subtitle.

(e) RESEARCH AND INFORMATION.—The plan may provide for establishing and carrying on research, consumer information, and industry information projects and studies to the end that the marketing and utilization of pecans may be encouraged, expanded, improved, or made more efficient, and for the disbursement of necessary funds for such purposes.

(f) RESERVE FUNDS.—The plan may provide authority to accumulate reserve funds from assessments collected pursuant to this subtitle, to permit an effective and continuous coordinated program of research, consumer information, industry information and promotion in years when the production and assessment income may be reduced, except that the total reserve fund may not exceed the amount budgeted for the operation of the plan for 2 years.

(g) FOREIGN MARKETS.—The plan may provide authority to use funds collected under this subtitle, with the approval of the Secretary, for the development and expansion of pecan sales in foreign markets.

SEC. 1912. ASSESSMENTS.

(a) IN GENERAL.—During the effective period of a plan issued pursuant to this subtitle, assessments shall be—

(1) levied on all pecans produced in, and all pecans imported into, the United States and marketed; and

(2) deducted from the payment made to a grower for all pecans sold to a first handler.

(b) LIMITATION ON ASSESSMENTS.—No more than one assessment may be assessed under subsection (a) on a grower (as remitted by a first handler), grower-sheller, or importer, for any lot of pecans handled or imported.

(c) REMITTING ASSESSMENTS.—

(1) IN GENERAL.—Assessments required under subsection (a) shall be remitted to the Board by—

(A) a first handler; and

(B) an importer.

(2) TIMES TO REMIT ASSESSMENT.—

(A) FIRST HANDLERS.—*Each first handler who is not a grower-sheller and who is required to remit an assessment under paragraph (1) shall remit such assessment to the Board no later than the last day of the month following the month that the pecans being assessed were purchased or marketed by such first handler.*

(B) GROWER-SHELLERS.—*Each first handler who is a grower-sheller and who is required to remit an assessment under paragraph (1) shall remit such assessment to the Board, to the extent practicable, in payments of one-third of the total annual amount of such assessment due to the Board on January 31, March 31, and May 10, or such dates as may be recommended by the Board and approved by the Secretary, during the fiscal year that the pecans being assessed were harvested.*

(C) IMPORTERS.—*Importers of pecans into the United States shall pay the assessment at the time the pecans enter the United States and shall remit such assessment to the Board.*

(d) ASSESSMENT RATE.—

(1) IN GENERAL.—*Except as provided in paragraph (2), assessment rates shall be recommended by the Board and approved by the Secretary, except that the maximum assessment shall not exceed—*

(A) during the period commencing on the effective date of the issuance of a plan and ending on the date the referendum is conducted under section 1916(a), one-half cent per pound for in-shell pecans as determined by the Board and approved by the Secretary; and

(B) after such period, 2 cents per pound for in-shell pecans.

(2) ADJUSTING RATE FOR SHELLED PECANS.—*The rate of assessment of shelled pecans shall be twice the rate established for in-shell pecans pursuant to paragraph (1).*

(3) SPECIAL STATE ASSESSMENT.—

(A) IN GENERAL.—*Notwithstanding any other provision of this subtitle, with the approval of the Secretary and if authorized by State law and requested by such State, a special assessment of one-quarter cent per pound for in-shell pecans, and an appropriate per-pound assessment for shelled pecans as adjusted under paragraph (2), shall be remitted to the Board for the purpose of utilizing such funds by a State pecan marketing board for research projects to promote pecans pursuant to State law.*

(B) COLLECTION AND REMITTANCE.—*The Board shall collect such assessments and upon receipt of such assessments shall remit such assessments to the State, within a time period mutually agreed upon between the State and the Board, and approved by the Secretary. In the collection of such State assessments, neither the Board nor the Secretary shall in any manner enforce the collection or remittance of*

any such payment by producers of such State assessments or investigate nonpayment of such State assessments, except to provide to a State the names of growers from whom such assessments were collected and the respective amounts of assessments collected.

(C) Regulations.— The Secretary is authorized to make such regulations as may be necessary to carry out the provisions of this section.

(e) Late-Payment Charge.—

(1) In general.—There shall be a late-payment charge imposed on any person who fails to remit, on or before the due date established by the Board under subsection (c)(2), to the Board the total amount for which such person is liable.

(2) Amount of charge.—The amount of the late-payment charge imposed under paragraph (1) shall be prescribed by the Board with the approval of the Secretary.

(f) Refund of Assessments From Escrow Account.—

(1) Establishment of escrow account.—During the period beginning on the effective date of a plan first issued under section 1908 and ending on the date the referendum is conducted under section 1916(a), the Board shall—

(A) establish an escrow account to be used for assessment refunds; and

(B) place funds in such account in accordance with paragraph (2).

(2) Placement of funds in account.—The Board shall place in such account, from assessments collected during the period referred to in paragraph (1), an amount equal to the product obtained by multiplying the total amount of assessments collected during such period by 10 percent.

(3) Right to receive refund.—Subject to paragraphs (4), (5), and (6), any grower, grower-sheller, or importer shall have the right to demand and receive from the Board a one-time refund of assessments paid by or on behalf of such grower, grower-sheller, or importer during the period referred to in paragraph (1) if—

(A) such grower, grower-sheller, or importer is required to pay such assessments;

(B) such grower, grower-sheller, or importer does not support the program established under this subtitle;

(C) such grower, grower-sheller, or importer demands such refund prior to the conduct of the referendum under section 1916(a); and

(D) the plan is not approved pursuant to the referendum conducted under section 1916(a).

(4) Form of demand.—Such demand shall be made in accordance with regulations, on a form, and within a time period prescribed by the Board.

(5) Making of refund.—Such refund shall be made on submission of proof satisfactory to the Board that such grower, grower-sheller, or importer paid the assessment for which refund is demanded.

(6) Proration.—If—

(A) the amount in the escrow account required by paragraph (1) is not sufficient to refund the total amount of assessments demanded by eligible growers, grower-shellers, or importers; and

(B) the plan is not approved pursuant to the referendum conducted under section 1916(a);

the Board shall prorate the amount of such refunds among all eligible growers, grower-shellers, and importers who demand such refund.

(7) PROGRAM APPROVED.—If the plan is approved pursuant to the referendum conducted under section 1916(a), all funds in the escrow account shall be returned to the Board for use by the Board in accordance with this subtitle.

SEC. 1913. PETITION AND REVIEW.

(a) PETITION.—

(1) IN GENERAL.—A person subject to a plan issued under this subtitle may file with the Secretary a petition—

(A) stating that the plan, any provision of the plan, or any obligation imposed in connection with the plan is not in accordance with law; and

(B) requesting a modification of the plan or an exemption from the plan.

(2) HEARINGS.—The petitioner shall be given the opportunity for a hearing on the petition, on the record and in accordance with regulations issued by the Secretary.

(3) RULING.—After such hearing, the Secretary shall make a ruling on the petition, which shall be final if in accordance with law.

(b) REVIEW.—

(1) COMMENCEMENT OF ACTION.—The district courts of the United States in any district in which a person who is a petitioner under subsection (a) resides or carries on business are hereby vested with jurisdiction to review the ruling on such person's petition, if a complaint for that purpose is filed within 20 days after the date of the entry of a ruling by the Secretary under subsection (a).

(2) PROCESS.—Service of process in such proceedings shall be conducted in accordance with the Federal Rules of Civil Procedure.

(3) REMANDS.—If the court determines that such ruling is not in accordance with law, the court shall remand the matter to the Secretary with directions either—

(A) to make such ruling as the court shall determine to be in accordance with law; or

(B) to take such further proceedings as, in the opinion of the court, the law requires.

(4) ENFORCEMENT.—The pendency of proceedings instituted under subsection (a) shall not impede, hinder, or delay the Attorney General or the Secretary from taking any action under section 1914.

SEC. 1914. ENFORCEMENT.

(a) JURISDICTION.—The district courts of the United States shall have jurisdiction specifically to enforce, and to prevent and restrain

a person from violating, this subtitle or any plan or regulation issued under this subtitle.

(b) REFERRAL TO ATTORNEY GENERAL.—A civil action to be brought under this section shall be referred to the Attorney General for appropriate action, except that the Secretary is not required to refer to the Attorney General a violation of this subtitle or any plan or regulation issued under this subtitle if the Secretary believes that the administration and enforcement of this subtitle would be adequately served by administrative action under subsection (c) or by providing a suitable written notice or warning to any person committing the violation.

(c) CIVIL PENALTIES AND ORDERS.—

(1) CIVIL PENALTIES.—

(A) IN GENERAL.—A person who willfully violates any provision of this subtitle or any plan or regulation issued under this subtitle, or who fails to pay, collect, or remit any assessment or fee required of the person under this subtitle or any plan or regulation issued under this subtitle, may be assessed by the Secretary a civil penalty of not less than $1,000 nor more than $10,000 for each such violation.

(B) SEPARATE OFFENSE.—Each violation described in subparagraph (A) shall be a separate offense.

(2) CEASE AND DESIST ORDERS.—In addition to or in lieu of such civil penalty, the Secretary may issue an order requiring such person to cease and desist from continuing such violation.

(3) NOTICE AND HEARING.—No penalty shall be assessed or cease and desist order issued by the Secretary under this subsection unless the Secretary gives the person against whom the order is issued notice and opportunity for a hearing on the record with respect to such violation.

(4) FINALITY.—The order of the Secretary assessing a penalty or imposing a cease and desist order shall be final and conclusive unless the person against whom the order is issued files an appeal from the Secretary's order in accordance with subsection (d).

(d) REVIEW BY DISTRICT COURT.—

(1) COMMENCEMENT OF ACTION.—A person against whom a civil penalty is assessed or a cease and desist order is issued under subsection (c) may obtain review of such penalty or order in the district court of the United States for the district in which such person resides or does business, or in the United States District Court for the District of Columbia, by—

(A) filing, within the 30-day period beginning on the date such penalty is assessed or order issued, a notice of appeal in such court; and

(B) simultaneously sending a copy of the notice by certified mail to the Secretary.

(2) RECORD.—The Secretary shall promptly file in such court a certified copy of the record on which the Secretary found that the person had committed a violation.

(3) STANDARD OF REVIEW.—A finding of the Secretary shall be set aside only if the finding is found to be unsupported by substantial evidence.

(e) FAILURE TO OBEY ORDERS.—Any person who fails to obey a cease and desist order after the order has become final and unappealable, or after the appropriate district court has entered a final judgment in favor of the Secretary, shall be subject to a civil penalty assessed by the Secretary, after opportunity for a hearing on the record and for judicial review under the procedures specified in subsections (c) and (d), of not more than $1,000 for each offense. Each day during which the failure continues shall be considered a separate violation of such order.

(f) FAILURE TO PAY PENALTY.—If a person fails to pay a civil penalty after it has become a final and unappealable order issued by the Secretary, or after the appropriate district court has entered a final judgment in favor of the Secretary, the Secretary shall refer the matter to the Attorney General for recovery of the amount assessed in the district court of the United States in any district in which the person resides or conducts business. In such action, the validity and appropriateness of such order imposing such civil penalty shall not be subject to review.

SEC. 1915. INVESTIGATIONS AND POWER TO SUBPOENA.

(a) IN GENERAL.—The Secretary may make such investigations as the Secretary determines necessary—

(1) for the effective administration of this subtitle; or

(2) to determine whether a person has engaged or is engaging in any act or practice that constitutes a violation of any provision of this subtitle, or of any plan, rule, or regulation issued under this subtitle.

(b) POWER TO SUBPOENA.—

(1) INVESTIGATIONS.—For the purpose of an investigation made under subsection (a), the Secretary is authorized to administer oaths and affirmations and to issue a subpoena to require the production of any records that are relevant to the inquiry. The production of any such records may be required from any place in the United States.

(2) ADMINISTRATIVE HEARINGS.—For the purpose of an administrative hearing held under section 1913 or section 1914, the presiding officer is authorized to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any records that are relevant to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States.

(c) AID OF COURTS.—In case of contumacy by, or refusal to obey a subpoena issued to, any person, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in order to enforce a subpoena issued by the Secretary under subsection (b). The court may issue an order requiring such person to comply with such a subpoena.

(d) CONTEMPT.—Any failure to obey such order of the court may be punished by such court as a contempt thereof.

(e) PROCESS.—Process in any such case may be served in the judicial district in which such person resides or conducts business or wherever such person may be found.

(f) HEARING SITE.—The site of any hearings held under section 1913 or 1914 shall be within the judicial district where such person resides or has a principal place of business.

SEC. 1916. REQUIREMENT OF REFERENDUM.

(a) IN GENERAL.—Not later than 24 months after the effective date of the plan first issued under section 1908, the Secretary shall conduct a referendum among growers, grower-shellers, and importers, who during a representative period determined by the Secretary have been engaged in the production or importation of pecans, for the purpose of ascertaining whether growers, grower-shellers, and importers favor continuation, termination, or suspension of the plan.

(b) OTHER REFERENDA.—

(1) IN GENERAL.—After the referendum required under subsection (a), the Secretary shall hold a referendum on request of the Board or 10 percent or more of the total number of growers, grower-shellers, and importers, to determine if growers, grower-shellers, and importers favor the termination or suspension of the plan.

(2) SUSPENSION OR TERMINATION.—The Secretary shall terminate or suspend such plan, in accordance with section 1917(b), whenever the Secretary determines that such suspension or termination is favored by a majority of those voting in a referendum.

(c) COSTS OF REFERENDUM.—The Secretary shall be reimbursed from any assessments collected by the Board for any expenses incurred by the Department in connection with the conduct of any referendum under this subtitle, except for the salaries of Government employees.

(d) MANNER.—

(1) IN GENERAL.—Referenda conducted pursuant to this subtitle shall be conducted in such a manner as is determined by the Secretary.

(2) ADVANCE REGISTRATION.—A grower, grower-sheller, or importer who chooses to vote in any referendum conducted under this subtitle shall register in person prior to the voting period at the appropriate local office of the Agricultural Stabilization and Conservation Service, as determined by the Secretary, for such grower, grower-sheller, or by mailing such a request to the Secretary on behalf of an importer.

(3) VOTING.—A grower, grower-sheller, or importer who votes in any referendum conducted under this subtitle shall vote in person at the appropriate local office of the Agricultural Stabilization and Conservation Service, as determined by the Secretary or by mail to the Secretary.

(4) NOTICE.—Each Agricultural Stabilization and Conservation Service office shall notify all growers, grower-shellers, and importers in the area of such office, as determined by the Secretary, at least 30 days prior to a referendum conducted under this subtitle. Such notice shall explain the registration and voting procedures established under this subsection.

SEC. 1917. SUSPENSION OR TERMINATION OF PLAN

(a) MANDATORY SUSPENSION OR TERMINATION.—The Secretary shall, whenever the Secretary finds that the plan or any provision of the plan obstructs or does not tend to effectuate the declared policy of this subtitle, terminate or suspend the operation of such plan or provision.

(b) SUSPENSION OR TERMINATION.—If, as a result of any referendum conducted under this subtitle, the Secretary determines that suspension or termination of a plan is favored by a majority of the growers, grower-shellers, and importers voting in the referendum, the Secretary shall—

(1) within 6 months after making such determination, suspend or terminate, as the case may be, collection of assessments under the plan; and

(2) suspend or terminate, as the case may be, activities under the plan in an orderly manner as soon as practicable.

(c) The termination or suspension of any plan, or any provision thereof, shall not be considered a plan within the meaning of this subtitle.

SEC. 1918. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated for each fiscal year such sums as are necessary to carry out this subtitle.

(b) ADMINISTRATIVE EXPENSES.—Funds appropriated to carry out this subtitle shall not be available for payment of the expenses or expenditures of the Board in administering any provision of any plan issued under this subtitle.

Subtitle B—Mushrooms

SEC. 1921. SHORT TITLE.

This subtitle may be cited as the "Mushroom Promotion, Research, and Consumer Information Act of 1990".

SEC. 1922. FINDINGS AND DECLARATION OF POLICY.

(a) FINDINGS.—Congress finds that—

(1) mushrooms are an important food that is a valuable part of the human diet;

(2) the production of mushrooms plays a significant role in the Nation's economy in that mushrooms are produced by hundreds of mushroom producers, distributed through thousands of wholesale and retail outlets, and consumed by millions of people throughout the United States and foreign countries;

(3) mushroom production benefits the environment by efficiently using agricultural byproducts;

(4) mushrooms must be high quality, readily available, handled properly, and marketed efficiently to ensure that the benefits of this important product are available to the people of the United States;

(5) the maintenance and expansion of existing markets and uses, and the development of new markets and uses, for mushrooms are vital to the welfare of producers and those concerned

with marketing and using mushrooms, as well as to the agricultural economy of the Nation;

(6) the cooperative development, financing, and implementation of a coordinated program of mushroom promotion, research, and consumer information are necessary to maintain and expand existing markets for mushrooms; and

(7) mushrooms move in interstate and foreign commerce, and mushrooms that do not move in such channels of commerce directly burden or affect interstate commerce in mushrooms.

(b) POLICY.—It is declared to be the policy of Congress that it is in the public interest to authorize the establishment, through the exercise of the powers provided in this subtitle, of an orderly procedure for developing, financing through adequate assessments on mushrooms produced domestically or imported into the United States, and carrying out, an effective, continuous, and coordinated program of promotion, research, and consumer and industry information designed to—

(1) strengthen the mushroom industry's position in the marketplace;

(2) maintain and expand existing markets and uses for mushrooms; and

(3) develop new markets and uses for mushrooms.

(c) CONSTRUCTION.—Nothing in this subtitle may be construed to provide for the control of production or otherwise limit the right of individual producers to produce mushrooms.

SEC. 1923. DEFINITIONS.

As used in this subtitle—

(1) COMMERCE.—The term "commerce" means interstate, foreign, or intrastate commerce.

(2) CONSUMER INFORMATION.—The term "consumer information" means information and programs that will assist consumers and other persons in making evaluations and decisions regarding the purchase, preparation, and use of mushrooms.

(3) COUNCIL.—The term "Council" means the Mushroom Council established under section 1925(b).

(4) DEPARTMENT.—The term "Department" means the Department of Agriculture.

(5) FIRST HANDLER.—The term "first handler" means any person, as described in an order issued under this subtitle, who receives or otherwise acquires mushrooms from a producer and prepares for marketing or markets such mushrooms, or who prepares for marketing or markets mushrooms of that person's own production.

(6) IMPORTER.—The term "importer" means any person who imports, on average, over 500,000 pounds of mushrooms annually from outside the United States.

(7) INDUSTRY INFORMATION.—The term "industry information" means information and programs that are designed to lead to the development of new markets and marketing strategies, increased efficiency, and activities to enhance the image of the mushroom industry.

(8) MARKETING.—The term "marketing" means the sale or other disposition of mushrooms in any channel of commerce.

(9) Mushrooms.—The term "mushrooms" means all varieties of cultivated mushrooms grown within the United States for the fresh market, or imported into the United States for the fresh market, that are marketed, except that such term shall not include mushrooms that are commercially marinated, canned, frozen, cooked, blanched, dried, packaged in brine, or otherwise processed, as may be determined by the Secretary.

(10) Person.—The term "person" means any individual, group of individuals, partnership, corporation, association, cooperative, or any other legal entity.

(11) Producer.—The term "producer" means any person engaged in the production of mushrooms who owns or who shares the ownership and risk of loss of such mushrooms and who produces, on average, over 500,000 pounds of mushrooms per year.

(12) Promotion.—The term "promotion" means any action determined by the Secretary to enhance the image or desirability of mushrooms, including paid advertising.

(13) Research.—The term "research" means any type of study to advance the image, desirability, marketability, production, product development, quality, or nutritional value of mushrooms.

(14) Secretary.—The term "Secretary" means the Secretary of Agriculture.

(15) State and united states.—The terms "State" and "United States" include the 50 States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

SEC. 1924. ISSUANCE OF ORDERS.

(a) In General.—To effectuate the declared policy of section 1922(b), the Secretary, subject to the procedures provided in subsection (b), shall issue orders under this subtitle applicable to producers, importers, and first handlers of mushrooms. Any such order shall be national in scope. Not more than one order shall be in effect under this subtitle at any one time.

(b) Procedures.—

(1) Issuance of an order.—The Secretary may propose the issuance of an order under this subtitle, or an association of mushroom producers or any other person that will be affected by this subtitle may request the issuance of, and submit a proposal for, such an order.

(2) Publication of order.—Not later than 60 days after the receipt of a request and proposal by an interested person for an order, or when the Secretary determines to propose an order, the Secretary shall publish the proposed order and give due notice and opportunity for public comment on the proposed order.

(3) Issuance of order.—After notice and opportunity for public comment are given, as provided in paragraph (2), the Secretary shall issue the order, taking into consideration the comments received and including in the order provisions necessary to ensure that the order is in conformity with the requirements of this subtitle. Such order shall be issued and, if approved by producers and importers of mushrooms as provided in section 1926(a), shall become effective not later than 180 days following publication of the proposed order.

(c) AMENDMENTS.—

(1) IN GENERAL.—The Secretary, from time to time, may amend any order issued under this section.

(2) APPLICATION OF SUBTITLE.—The provisions of this subtitle applicable to an order shall be applicable to amendments to the order.

SEC. 1925. REQUIRED TERMS IN ORDERS.

(a) IN GENERAL.—Each order issued under this subtitle shall contain the terms and conditions prescribed in this section.

(b) MUSHROOM COUNCIL.—

(1) ESTABLISHMENT AND MEMBERSHIP OF COUNCIL.—

(A) ESTABLISHMENT.—The order shall provide for the establishment of, and selection of members to, a Mushroom Council that shall consist of at least 4 members and not more than 9 members.

(B) MEMBERSHIP.—Except as provided for in paragraph (2), the members of the Council shall be mushroom producers and importers appointed by the Secretary from nominations submitted by producers and importers in the manner authorized by the Secretary, except that no more than one member may be appointed to the Council from nominations submitted by any one producer or importer.

(2) APPOINTMENTS.—

(A) IN GENERAL.—In making appointments, the Secretary shall take into account, to the extent practicable, the geographical distribution of mushroom production throughout the United States, and the comparative volume of mushrooms imported into the United States.

(B) UNITS.—In establishing such geographical distribution of mushroom production, a whole State shall be considered as a unit and such units shall be organized into 4 regions that shall fairly represent the geographic distribution of mushroom production within the United States.

(C) IMPORTERS.—Importers shall be represented as one region, which shall be separate from the regions established for mushrooms produced in the United States.

(D) MEMBERS PER REGION.—The Secretary shall appoint one member from each region if such region produces or imports, on average, at least 35,000,000 pounds of mushrooms annually.

(E) ADDITIONAL MEMBERS.—Subject to the nine-member limit on the number of members on the Council provided in paragraph (1), the Secretary shall appoint an additional member to the Council from a region for each additional 50,000,000 pounds of production or imports per year, on average, within the region.

(F) For purposes of this paragraph, in determining average annual mushroom production in each of the 4 regions of the United States established under this paragraph, the Secretary shall only consider mushrooms produced by producers covered by this subtitle, as defined in section 1923(11).

(G) Failure to nominate.—If producers and importers fail to nominate individuals for appointment, the Secretary may appoint members on a basis provided for in the order.

(3) Terms; compensation.—

(A) Terms.—The term of appointment to the Council shall be for 3 years, except that the initial appointments shall to the extent practicable be proportionately for 1-year, 2-year, and 3-year terms.

(B) Compensation.—Council members shall serve without compensation but shall be reimbursed for their expenses incurred in performing their duties as members of the Council.

(c) Powers and Duties of the Council.—The order shall define the powers and duties of the Council, which shall include the following powers and duties—

(1) to administer the order in accordance with its terms and provisions;

(2) to make rules and regulations to effectuate the terms and provisions of the order;

(3) to appoint members of the Council to serve on an executive committee;

(4) to propose, receive, evaluate, approve and submit to the Secretary for approval under subsection (d) budgets, plans, and projects of mushroom promotion, research, consumer information, and industry information, as well as to contract and enter into agreements with appropriate persons to implement such plans or projects;

(5) to develop and propose to the Secretary voluntary quality and grade standards for mushrooms;

(6) to receive, investigate, and report to the Secretary complaints of violations of the order;

(7) to recommend to the Secretary amendments to the order; and

(8) to invest, pending disbursement under a plan or project, funds collected through assessments authorized under this subtitle only in—

(A) obligations of the United States or any agency thereof;

(B) general obligations of any State or any political subdivision thereof;

(C) any interest-bearing account or certificate of deposit of a bank that is a member of the Federal Reserve System; or

(D) obligations fully guaranteed as to principal and interest by the United States,

except that income from any such invested funds may only be used for any purpose for which the invested funds may be used.

(d) Plans and Budget.—

(1) Submission to secretary.—The order shall provide that the Council shall submit to the Secretary for approval any plan or project of promotion, research, consumer information, or industry information.

(2) Budgets.—The order shall require the Council to submit to the Secretary for approval budgets on a fiscal year basis of its anticipated expenses and disbursements in the implementation

of the order, including projected costs of promotion, research, consumer information, and industry information plans and projects.

(3) Approval by secretary.—No plan or project of promotion, research, consumer information, or industry information, or budget, shall be implemented prior to its approval by the Secretary.

(e) Contracts and Agreements.—

(1) In general.—To ensure efficient use of funds, the order shall provide that the Council may enter into contracts or agreements for the implementation and carrying out of plans or projects of mushroom promotion, research, consumer information, or industry information, including contracts with producer organizations, and for the payment of the cost thereof with funds received by the Council under the order.

(2) Requirements.—Any such contract or agreement shall provide that—

(A) the contracting party shall develop and submit to the Council a plan or project together with a budget or budgets that shall show estimated costs to be incurred for such plan or project;

(B) the plan or project shall become effective on the approval of the Secretary; and

(C) the contracting party shall keep accurate records of all of its transactions, account for funds received and expended, make periodic reports to the Council of activities conducted, and make such other reports as the Council or the Secretary may require.

(3) Producer organizations.—The order shall provide that the Council may contract with producer organizations for any other services. Any such contract shall include provisions comparable to those provided in subparagraphs (A), (B), and (C) of paragraph (2).

(f) Books and Records of Council.—

(1) In general.—The order shall require the Council to—

(A) maintain such books and records (which shall be available to the Secretary for inspection and audit) as the Secretary may prescribe;

(B) prepare and submit to the Secretary, from time to time, such reports as the Secretary may prescribe; and

(C) account for the receipt and disbursement of all funds entrusted to the Council.

(2) Audits.—The Council shall cause its books and records to be audited by an independent auditor at the end of each fiscal year, and a report of such audit to be submitted to the Secretary.

(g) Assessments.—

(1) Collection and payment.—

(A) In general.—The order shall provide that each first handler of mushrooms for the domestic fresh market produced in the United States shall collect, in the manner prescribed by the order, assessments from producers and remit the assessments to the Council.

(B) Importers.—The order also shall provide that each importer of mushrooms for the domestic fresh market shall pay assessments to the Council in the manner prescribed by the order.

(C) Direct marketing.—Any person marketing mushrooms of that person's own production directly to consumers shall remit the assessments on such mushrooms directly to the Council in the manner prescribed in the order.

(2) Rate of assessment.—The rate of assessment shall be determined and announced by the Council and may be changed by the Council at any time. The order shall provide that the rate of assessment—

(A) for the first year of the order, may not exceed one-quarter cent per pound of mushrooms;

(B) for the second year of the order, may not exceed one-third cent per pound of mushrooms;

(C) for the third year of the order, may not exceed one-half cent per pound of mushrooms; and

(D) for the following years of the order, may not exceed one cent per pound of mushrooms.

(3) Use of assessments.—The order shall provide that the assessments shall be used for payment of the expenses in implementing and administering this subtitle, with provision for a reasonable reserve, and to cover those administrative costs incurred by the Secretary in implementing and administering this subtitle, except for the salaries of Government employees incurred in conducting referenda.

(4) Limitation on collection.—No assessment may be collected on mushrooms that a first handler certifies will be exported as mushrooms.

(h) Prohibition.—The order shall prohibit any funds received by the Council under the order from being used in any manner for the purpose of influencing legislation or government action or policy, except that such funds may be used by the Council for the development and recommendation to the Secretary of amendments to the order as prescribed in this subtitle and for the submission to the Secretary of recommended voluntary grade and quality standards for mushrooms under the Agricultural Marketing Act of 1946 (7 U.S.C. 1621 et seq.).

(i) Books and records.—

(1) In general.—The order shall require that each first handler and importer of mushrooms maintain, and make available for inspection, such books and records as may be required by the order and file reports at the time, in the manner, and having the content prescribed by the order.

(2) Availability to Secretary.—Such information shall be made available to the Secretary as is appropriate for the administration or enforcement of this subtitle, the order, or any regulation issued under this subtitle.

(3) Confidentiality.—

(A) In general.—Except as otherwise provided in this subtitle, all information obtained under paragraph (1) shall be kept confidential by all officers and employees of the Department and the Council, and agents of the Council,

and only such information so obtained as the Secretary considers relevant may be disclosed to the public by them and then only in a suit or administrative hearing brought at the request of the Secretary, or to which the Secretary or any officer of the United States is a party, and involving the order.

(B) LIMITATIONS.—Nothing in this paragraph may be construed to prohibit—

(i) the issuance of general statements, based on the reports, of the number of persons subject to the order or statistical data collected therefrom, which statements do not identify the information furnished by any person; or

(ii) the publication, by direction of the Secretary, of the name of any person violating the order, together with a statement of the particular provisions of the order violated by such person.

(4) AVAILABILITY OF INFORMATION.—

(A) IN GENERAL.—Except as otherwise provided in this subtitle, information obtained under this subtitle may be made available to another agency of the Federal Government for a civil or criminal law enforcement activity if the activity is authorized by law and if the head of the agency has made a written request to the Secretary specifying the particular information desired and the law enforcement activity for which the information is sought.

(B) PENALTY.—Any person knowingly violating this subsection, on conviction, shall be subject to a fine of not more than $1,000 or to imprisonment for not more than 1 year, or both, and if an officer or employee of the Council or the Department, shall be removed from office.

(5) WITHHOLDING INFORMATION.—Nothing in this subtitle shall be construed to authorize the withholding of information from Congress.

(j) OTHER TERMS AND CONDITIONS.—The order also shall contain such terms and conditions, not inconsistent with this subtitle, as are necessary to effectuate this subtitle, including provisions for the assessment of a penalty for each late payment of assessments under subsection (g).

SEC. 1926. REFERENDA.

(a) INITIAL REFERENDUM.—

(1) IN GENERAL.—Within the 60-day period immediately preceding the effective date of an order issued under section 1924(b), the Secretary shall conduct a referendum among mushroom producers and importers to ascertain whether the order shall go into effect.

(2) APPROVAL OF ORDER.—The order shall become effective, as provided in section 1924(b), if the Secretary determines that the order has been approved by a majority of the producers and importers voting in the referendum, which majority, on average, annually produces and imports into the United States more than 50 percent of the mushrooms annually produced and imported by all those voting in the referendum.

(b) SUCCEEDING REFERENDA.—

(1) DETERMINATION CONCERNING ORDER.—

(A) IN GENERAL.—Effective 5 years after the date on which an order becomes effective under section 1924(b), the Secretary shall conduct a referendum among mushroom producers and importers to ascertain whether they favor continuation, termination, or suspension of the order.

(B) REQUEST FOR REFERENDUM.—Effective beginning 3 years after the date on which an order becomes effective under section 1924(b), the Secretary, on request of a representative group comprising 30 percent or more of the number of mushroom producers and importers, may conduct a referendum to ascertain whether producers and importers favor termination or suspension of the order.

(2) SUSPENSION OR TERMINATION.—If, as a result of any referendum conducted under paragraph (1), the Secretary determines that suspension or termination of an order is favored by a majority of the producers and importers voting in the referendum, which majority, on average, annually produces and imports into the United States more than 50 percent of the mushrooms annually produced and imported by all those voting in the referendum, the Secretary shall—

(A) within 6 months after making such determination, suspend or terminate, as appropriate, collection of assessments under the order; and

(B) suspend or terminate, as appropriate, activities under the order in an orderly manner as soon as practicable.

(c) MANNER.—Referenda conducted pursuant to this section shall be conducted in such a manner as is determined by the Secretary.

SEC. 1927. PETITION AND REVIEW.

(a) PETITION.—

(1) IN GENERAL.—A person subject to an order issued under this subtitle may file with the Secretary a petition—

(A) stating that the order, any provision of the order, or any obligation imposed in connection with the order, is not in accordance with law; and

(B) requesting a modification of the order or an exemption from the order.

(2) HEARINGS.—The petitioner shall be given the opportunity for a hearing on the petition, in accordance with regulations issued by the Secretary.

(3) RULING.—After such hearing, the Secretary shall make a ruling on the petition, which shall be final if in accordance with law.

(b) REVIEW.—

(1) COMMENCEMENT OF ACTION.—The district courts of the United States in any district in which a person who is a petitioner under subsection (a) resides or carries on business are hereby vested with jurisdiction to review the ruling on such person's petition, if a complaint for that purpose is filed within 20 days after the date of the entry of such ruling of the Secretary under subsection (a).

(2) Process.—Service of process in such proceedings shall be conducted in accordance with the Federal Rules of Civil Procedure.

(3) Remands.—If the court determines that such ruling is not in accordance with law, the court shall remand the matter to the Secretary with directions either—

(A) to make such ruling as the court shall determine to be in accordance with law; or

(B) to take such further action as, in the opinion of the court, the law requires.

(4) Enforcement.—The pendency of proceedings instituted under subsection (a) shall not impede, hinder, or delay the Attorney General or the Secretary from obtaining relief pursuant to section 1928.

SEC. 1928. ENFORCEMENT.

(a) Jurisdiction.—The several district courts of the United States are vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, any order or regulation made or issued by the Secretary under this subtitle.

(b) Referral to Attorney General.—A civil action authorized to be brought under this section shall be referred to the Attorney General for appropriate action, except that the Secretary is not required to refer to the Attorney General a violation of this subtitle, or any order or regulation issued under this subtitle, if the Secretary believes that the administration and enforcement of this subtitle would be adequately served by administrative action under subsection (c) or suitable written notice or warning to the person who committed or is committing the violation.

(c) Civil Penalties and Orders.—

(1) Civil penalties.—A person who willfully violates a provision of any order or regulation issued by the Secretary under this subtitle, or who fails or refuses to pay, collect, or remit any assessment or fee duly required of the person under such order or regulation, may be assessed a civil penalty by the Secretary of not less than $500 nor more than $5,000 for each such violation. Each violation shall be a separate offense.

(2) Cease-and-desist orders.—In addition to or in lieu of such civil penalty, the Secretary may issue an order requiring such person to cease and desist from continuing such violation.

(3) Notice and hearing.—No penalty shall be assessed or cease and desist order issued by the Secretary under this subsection unless the Secretary gives the person against whom the penalty is assessed or the order is issued notice and opportunity for a hearing before the Secretary with respect to such violation.

(4) Finality.—The penalty assessed or cease and desist order issued under this subsection shall be final and conclusive unless the person against whom the penalty is assessed or the order is issued files an appeal with the appropriate district court of the United States in accordance with subsection (d).

(d) Review by District Court.—

(1) Commencement of action.—Any person against whom a violation is found and a civil penalty assessed or cease and

desist order issued under subsection (c) may obtain review of the penalty or order by—

(A) filing, within the 30-day period beginning on the date such penalty is assessed or order issued, a notice of appeal in the district court of the United States for the district in which such person resides or does business, or in the United States district court for the District of Columbia; and

(B) simultaneously sending a copy of the notice by certified mail to the Secretary.

(2) RECORD.—The Secretary shall promptly file in such court a certified copy of the record on which the Secretary found that the person had committed a violation.

(3) STANDARD OF REVIEW.—A finding of the Secretary shall be set aside only if the finding is found to be unsupported by substantial evidence.

(e) FAILURE TO OBEY ORDERS.—A person who fails to obey a cease and desist order after the order has become final and unappealable, or after the appropriate United States district court has entered a final judgment in favor of the Secretary, shall be subject to a civil penalty assessed by the Secretary, after opportunity for a hearing and for judicial review under the procedures specified in subsections (c) and (d), of not more than $500 for each offense. Each day during which such failure continues shall be considered as a separate violation of such order.

(f) FAILURE TO PAY PENALTIES.—If a person fails to pay an assessment of a civil penalty after it has become final and unappealable, or after the appropriate United States district court has entered final judgment in favor of the Secretary, the Secretary shall refer the matter to the Attorney General for recovery of the amount assessed in any district court in which the person resides or conducts business. In such action, the validity and appropriateness of such civil penalty shall not be subject to review.

SEC. 1929. INVESTIGATIONS AND POWER TO SUBPOENA.

(a) INVESTIGATIONS.—The Secretary may make such investigations as the Secretary considers necessary for the effective administration of this subtitle or to determine whether any person subject to this subtitle has engaged or is engaging in any act that constitutes a violation of this subtitle or of any order, rule, or regulation issued under this subtitle.

(b) SUBPOENAS, OATHS, AND AFFIRMATIONS.—

(1) IN GENERAL.—For the purpose of an investigation made under subsection (a), the Secretary may administer oaths and affirmations and issue a subpoena to require the production of any records that are relevant to the inquiry. The production of any such records may be required from any place in the United States.

(2) ADMINISTRATIVE HEARINGS.—For the purpose of an administrative hearing held under section 1927 or section 1928, the presiding officer is authorized to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any records that are relevant to the inquiry. Such attendance of witnesses and the pro-

duction of any such records may be required from any place in the United States.

(c) Aid of Courts.—In case of contumacy by, or refusal to obey a subpoena issued to, any person, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in order to enforce a subpoena issued by the Secretary under subsection (b). The court may issue an order requiring such person to comply with such a subpoena.

(d) Contempt.—Any failure to obey such order of the court may be punished by such court as a contempt thereof.

(e) Process.—Process in any such case may be served in the judicial district in which such person resides or conducts business or wherever such person may be found.

(f) Hearing Site.—The site of any hearings held under section 1927 or 1928 shall be within the judicial district where such person resides or has a principal place of business.

SEC. 1930. SAVINGS PROVISION.

Nothing in this subtitle may be construed to preempt or supersede any other program relating to mushroom promotion, research, consumer information, or industry information organized and operated under the laws of the United States or any State.

SEC. 1931. SUSPENSION OR TERMINATION OF ORDERS.

The Secretary shall, whenever the Secretary finds that the order or any provision of the order obstructs or does not tend to effectuate the declared policy of this subtitle, terminate or suspend the operation of such order or provision. The termination or suspension of any order, or any provision thereof, shall not be considered an order under the meaning of this subtitle.

SEC. 1932. AUTHORIZATION OF APPROPRIATIONS.

(a) In General.—There are authorized to be appropriated for each fiscal year such sums as are necessary to carry out this subtitle.

(b) Administrative Expenses.—The funds so appropriated shall not be available for payment of the expenses or expenditures of the Council in administering any provision of an order issued under this subtitle.

SEC. 1933. REGULATIONS.

The Secretary may issue such regulations as are necessary to carry out this subtitle.

Subtitle C—Potatoes

SEC. 1935. SHORT TITLE.

This subtitle may be cited as the "Potato Research and Promotion Act Amendments of 1990".

SEC. 1936. FINDINGS AND DECLARATION OF POLICY.

Section 302 of the Potato Research and Promotion Act (7 U.S.C. 2611) is amended—

(1) in the first paragraph—

(A) by inserting "and foreign countries" after "United States" in the first sentence;

(B) by inserting "and imported into the United States from foreign countries" after "United States" in the second sentence; and

(C) by striking the last sentence;

(2) in the second paragraph—

(A) in the first sentence—

(i) by striking ", in a large part,"; and

(ii) by inserting "or foreign" after "channels of interstate"; and

(B) by striking the second sentence; and

(3) in the fourth paragraph—

(A) by inserting "and imported into the United States from foreign countries" after "commercial use"; and

(B) by striking at the end thereof "produced in the United States" and inserting "and potato products".

SEC. 1937. DEFINITIONS.

Section 303 of the Potato Research and Promotion Act (7 U.S.C. 2612) is amended—

(1) in subsection (c)—

(A) by striking "forty-eight contiguous" and inserting "50"; and

(B) by inserting before the period at the end thereof ", and grown in foreign countries and imported into the United States"; and

(2) by adding at the end the following new subsection:

"(g) The term 'importer' means any person who imports tablestock, frozen, or processed potatoes for ultimate consumption by humans or seed potatoes into the United States.".

SEC. 1938. AUTHORITY TO ISSUE A PLAN.

Section 304 of the Potato Research and Promotion Act (7 U.S.C. 2613) is amended—

(1) in the first sentence—

(A) by striking "persons engaged in the handling of potatoes (hereinafter referred to as handlers)" and inserting "handlers and importers"; and

(B) by inserting "or imported" after "potatoes handled"; and

(2) in the third sentence—

(A) by striking "forty-eight contiguous" and inserting "50"; and

(B) by inserting before the period "and in foreign countries, if importers are subject to a plan and such potatoes are imported into the United States".

SEC. 1939. NOTICE AND HEARINGS.

Section 305 of the Potato Research and Promotion Act (7 U.S.C. 2614) is amended—

(1) in the first sentence by striking "potato producers" and inserting "interested persons"; and

(2) in the second sentence by striking "by potato producers or by any other interested person or persons, including the Secre-

tary" and inserting "by any interested person, including the Secretary".

SEC. 1940. REQUIRED TERMS IN PLANS.

Section 308 of the Potato Research and Promotion Act (7 U.S.C. 2617) is amended—

(1) in subsection (b)—

(A) by inserting after the first sentence the following: "If importers are subject to a plan, the board shall also include up to 5 representatives of importers, appointed by the Secretary from nominations submitted by importers in such manner as may be prescribed by the Secretary.";

(B) after "If producers" by inserting "or importers"; and

(C) in the last sentence by inserting ", or to importer approval when importers are subject to a plan," after "approval";

(2) in subsection (e)—

(A) by striking "one cent" and inserting "2 cents"; and

(B) by inserting ", and importers when importers are subject to a plan," after "producers";

(3) in subsection (f)(1) by inserting in the proviso ", or importer approval when importers are subject to a plan," after "producer approval"; and

(4) by striking subsection (g) and redesignating subsections (h), (i), and (j) as subsections (g), (h), and (i), respectively.

SEC. 1941. PERMISSIVE TERMS IN PLANS.

Section 309 of the Potato Research and Promotion Act (7 U.S.C. 2618) is amended by redesignating subsection (g) as subsection (i) and inserting the following new subsections:

"(g) Providing that any potato producer or importer against whose potatoes any assessment is made and collected under authority of this title and who is not in favor of supporting the research and promotion program as provided for under this title shall have the right to demand and receive from the board a refund of such assessment. Such demand shall be made personally by such producer or importer in accordance with regulations and on a form and within a time period prescribed by the board and approved by the Secretary, but in no event less than 90 days, and upon submission of proof satisfactory to the board that the producer or importer paid the assessment for which refund is sought, and any such refund shall be made within 60 days after demand therefor.

"(h) Providing for authority to assess imports of tablestock, frozen, or processed potatoes for ultimate consumption by humans and seed potatoes into the United States.".

SEC. 1942. ASSESSMENTS.

Section 310 of the Potato Research and Promotion Act (7 U.S.C. 2619) is amended—

(1) in subsection (a) by inserting "(1)" after "(a)" and adding at the end thereof the following new paragraph:

"(2) when importers are subject to a plan, each importer designated by the board, pursuant to regulations issued under the plan, to make payment of assessments shall be responsible for payment to the board, as it may direct, of any assessment levied

on potatoes. The assessment on imported tablestock, frozen, or processed potatoes for ultimate consumption by humans, and seed potatoes shall be established by the board so that the effective assessment shall equal that on domestic production and shall be paid by the importer to the board at the time of entry into the United States. Each such importer shall maintain a separate record including the total quantity of tablestock, frozen, processed potatoes for ultimate consumption by humans, and seed potatoes imported into the United States that are included under the terms of the plan as well as those that are exempt under such plan, and shall indicate such other information as may be prescribed by the board. No more than one assessment shall be made on any imported potatoes.";

(2) in subsection (b) by inserting "and importers" after "Handlers"; and

(3) in subsection (c)(1) by inserting "or importers" after "handlers".

SEC. 1943. INVESTIGATION AND POWER TO SUBPOENA.

Section 313 of the Potato Research and Promotion Act (7 U.S.C. 2622) is amended in subsection (a)—

(1) by striking in the first sentence "a handler or any other" and inserting "any"; and

(2) in the last sentence by striking "handler or other".

SEC. 1944. REQUIREMENT OF REFERENDUM.

Section 314 of the Potato Research and Promotion Act (7 U.S.C. 2623) is amended—

(1) in subsection (a) by adding at the end the following sentence: "When the issuance of a plan would subject importers to the terms and conditions of a plan, the Secretary also shall conduct the referendum among importers, who during a representative period determined by the Secretary have been engaged in the importation of potatoes, for the purpose of ascertaining whether the issuance of such plan is approved or favored by such importers.";

(2) in subsection (b) by striking "two-thirds of the producers voting in such referendum, or by the producers of not less than two-thirds of the potatoes produced during the representative period by producers voting in such referendum, and by not less than a majority of the producers voting in such referendum" and inserting "a majority of the producers voting in such referendum or a majority of the producers and importers when the issuance of a plan would subject importers to the terms and conditions of a plan, voting in such referendum";

(3) in subsection (c) by inserting "and importers" after "producers"; and

(4) in subsection (d) by inserting ", or any importer or the volume of potatoes imported by such importer," after "potatoes".

SEC. 1945. SUSPENSION OR TERMINATION OF PLANS.

Section 315 of the Potato Research and Promotion Act (7 U.S.C. 2624) is amended—

(1) in subsection (b)—

(A) by inserting ", or of the total number of producers and importers when importers are subject to a plan," after "potato producers" the first time it appears;

(B) by inserting "and importers" after "potato producers" the second time it appears;

(C) by inserting "and import" after "produce"; and

(D) by striking "by the potato producers voting in the referendum" and inserting "and imported by those voting in the referendum"; and

(2) by adding a new subsection (c) to read as follows:

"(c) The termination or suspension of any plan, or any provision thereof, shall not be considered the issuance of a plan within the meaning of this part.".

SEC. 1946. AMENDMENT PROCEDURE.

(a) In General.—Notwithstanding any provision of the Potato Research and Promotion Act (hereafter in this section referred to as the "Act"), the procedure specified in this section shall apply if a producer or a producer organization requests the Secretary of Agriculture (hereafter in this section referred to as the "Secretary") to amend the plan in effect under that Act (hereafter in this section referred to as the "plan") to—

(1) subject importers to the terms and conditions of a plan, and

(2) eliminate provisions for refunds of assessments for those not in favor of supporting the research and promotion program as provided under that Act.

The procedure under this section shall apply only in the case of the first such request received after the date of enactment of this Act.

(b) Publication of Proposed Amendments.—The Secretary shall publish for public comment such proposed amendments to the plan within 60 days.

(c) Issuance of Final Amendments.—Not later than 150 days after publication of such amendment, and after notice and opportunity for public comment, the Secretary shall issue the amendments to the plan, as described in subsection (a), if the Secretary has reason to believe that such amendments will tend to effectuate the declared policy of this subtitle.

(d) Referendum.—Not later than 24 months after the date of issuance of such amendments to the plan, the Secretary shall conduct a referendum among producers and importers who, during a representative period determined by the Secretary, have been engaged in the production or importation of potatoes. The amendments shall be continued only if the Secretary determines that the amendments to the plan have been approved by a majority of the total number of producers and importers voting in the referendum.

(e) Refunds.—The board shall—

(1) establish an escrow account to be used for assessment refunds, and place funds in such account in accordance with paragraph (2) during the period beginning on the effective date of the amendments to the plan issued under subsection (c) and ending on the date of the referendum on the amendments to the plan;

(2) place in the account established under paragraph (1), from assessments collected under the plan during the period referred to in paragraph (1), an amount equal to the product obtained by multiplying the total amount of assessments collected during such period by 10 percent;

(3) subject to paragraphs (4), (5), and (6), provide that for the period referred to in paragraph (1) any producer or importer shall have the right to demand and receive from the board a one-time refund of assessments collected from such producer or importer during such period if—

(A) such producer or importer is responsible for paying such assessments;

(B) such producer or importer does not support the program established under the plan; and

(C) the amendments to the plan to eliminate provisions for refunds of assessments are not approved pursuant to a referendum conducted under subsection (d);

(4) require such demand to be made in accordance with regulations, on a form, and within a time period prescribed by the board;

(5) require such refund to be made on submission of proof satisfactory to the board that such producer or importer paid the assessment for which refund is demanded; and

(6) if the amount in the escrow account required to be established by paragraph (1) is not sufficient to refund the total amount of assessments demanded by all eligible producers and importers under this subsection, prorate the amount of such refunds among all eligible producers and importers who demand such refund.

(f) TERMINATION.—If such amendments to the plan are not approved, the Secretary shall terminate the amendments and the plan shall continue in effect without the amendments.

(g) AMENDMENT TO INCLUDE THE 50 STATES.—Notwithstanding any provision of the Act, the Secretary shall, upon request of a producer or a producer organization, issue an amendment to the plan to include the 50 States of the United States. Such amendment shall not be subject to a referendum.

Subtitle D—Limes

SEC. 1951. SHORT TITLE.

This subtitle may be cited as the "Lime Research, Promotion, and Consumer Information Act of 1990".

SEC. 1952. FINDINGS, PURPOSES, AND LIMITATIONS.

(a) FINDINGS.—Congress finds that—

(1) domestically produced limes are grown by many individual producers;

(2) virtually all domestically produced limes are grown in the States of Florida and California;

(3) limes move in interstate and foreign commerce, and limes that do not move in such channels of commerce directly burden or affect interstate commerce in limes;

(4) in recent years, large quantities of limes have been imported into the United States;

(5) the maintenance and expansion of existing domestic and foreign markets for limes and the development of additional and improved markets for limes are vital to the welfare of lime producers and other persons concerned with producing, marketing, or processing limes;

(6) a coordinated program of research, promotion, and consumer information regarding limes is necessary for the maintenance and development of such markets; and

(7) lime producers, lime producer-handlers, lime handlers, and lime importers are unable to implement and finance such a program without cooperative action.

(b) PURPOSES.—The purposes of this subtitle are—

(1) to authorize the establishment of an orderly procedure for the development and financing (through an adequate assessment) of an effective and coordinated program of research, promotion, and consumer information regarding limes designed—

(A) to strengthen the position of the lime industry in domestic and foreign markets, and

(B) to maintain, develop, and expand markets for limes; and

(2) to treat domestically produced and imported limes equitably.

(c) LIMITATION.—Nothing in this subtitle shall be construed to require quality standards for limes, control the production of limes, or otherwise limit the right of the individual producers to produce limes.

SEC. 1953. DEFINITIONS.

As used in this subtitle:

(1) BOARD.—The term "Board" means the Lime Board provided for under section 1955(b).

(2) CONSUMER INFORMATION.—The term "consumer information" means any action taken to provide information to, and broaden the understanding of, the general public regarding the use, nutritional attributes, and care of limes.

(3) HANDLE.—The term "handle" means to sell, purchase, or package limes.

(4) HANDLER.—The term "handler" means any person in the business of handling limes.

(5) IMPORTER.—The term "importer" means any person who imports limes into the United States.

(6) LIME.—The term "lime" means the fruit of a citrus aurantifolia tree for the fresh market.

(7) MARKETING.—The term "marketing" means the sale or other disposition of limes in commerce.

(8) ORDER.—The term "order" means a lime research, promotion, and consumer information order issued by the Secretary under section 1954(a).

(9) PERSON.—The term "person" means any individual, group of individuals, partnership, corporation, association, cooperative, or other legal entity.

(10) Producer.—The term "producer" means any person who produces limes in the United States for sale in commerce.

(11) Producer-handler.—The term "producer-handler" means any person who is both a producer and handler of limes.

(12) Promotion.—The term "promotion" means any action taken under this subtitle (including paid advertising) to present a favorable image for limes to the general public with the express intent of improving the competitive position and stimulating the sale of limes.

(13) Research.—The term "research" means any type of research relating to the use and nutritional value of limes and designed to advance the image, desirability, marketability, or quality of limes.

(14) Secretary.—The term "Secretary" means the Secretary of Agriculture.

(15) State and United States.—The term—

(A) "State" means each of the 50 States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico; and

(B) "United States" means the 50 States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

SEC. 1954. ISSUANCE OF ORDERS.

(a) In General.—Subject to this subtitle, and to effectuate the declared purposes of this subtitle, the Secretary shall issue and, from time to time, amend lime research, promotion, and consumer information orders applicable to handlers, producers, producer-handlers, and importers of limes. Any such order shall be national in scope. Not more than one order shall be in effect under this subtitle at any one time.

(b) Procedure.—

(1) Proposal for issuance of order.—Any person that will be affected by this subtitle may request the issuance of, and submit a proposal for, an order under this subtitle.

(2) Proposed order.—Not later than 60 days after the receipt of a request and proposal by an interested person for an order, the Secretary shall publish a proposed order and give due notice and opportunity for public comment on the proposed order.

(3) Issuance of order.—After notice and opportunity for public comment are given, as provided in paragraph (2), the Secretary shall issue an order, taking into consideration the comments received and including in the order provisions necessary to ensure that the order is in conformity with the requirements of this subtitle.

(4) Effective date of order.—Such order shall be issued and become effective not later than 150 days following publication of the proposed order.

(c) Amendments.—The Secretary, from time to time, may amend any order issued under this section. The provisions of this subtitle applicable to orders shall be applicable to amendments to orders.

SEC. 1955. REQUIRED TERMS IN ORDERS.

(a) In General.—An order issued by the Secretary under section 1954(a) shall contain the terms and conditions described in this sec-

tion and, except as provided in section 1956, no other terms or conditions.

(b) LIME BOARD.—Such order shall provide for the establishment of a Lime Board as follows:

(1) MEMBERSHIP.—The Board shall be composed of—

(A) 7 members who are producers and who are not exempt from an assessment under subsection (d)(5)(A);

(B) 3 members who are importers and who are not exempt from an assessment under subsection (d)(5)(A); and

(C) one member appointed from the general public.

(2) APPOINTMENT AND NOMINATION.—

(A) APPOINTMENT.—The Secretary shall appoint the members of the Board.

(B) PRODUCERS.—The 7 members who are producers shall be appointed from individuals nominated by lime producers.

(C) IMPORTERS.—The 3 members who are importers shall be appointed from individuals nominated by lime importers.

(D) PUBLIC.—The public representative shall be appointed from nominations of the Board.

(E) FAILURE TO NOMINATE.—If producers and importers fail to nominate individuals for appointment, the Secretary may appoint members on a basis provided for in the order. If the Board fails to nominate a public representative, such member may be appointed by the Secretary without a nomination.

(F) INITIAL BOARD.—The Secretary shall establish an initial Board from among nominations solicited by the Secretary. For the purpose of obtaining nominations for the members of the initial Board described in paragraph (1), the Secretary shall perform the functions of the Board under this subsection as the Secretary determines necessary and appropriate.

(3) ALTERNATES.—The Secretary shall appoint an alternate for each member of the Board. An alternate shall—

(A) be appointed in the same manner as the member for whom such individual is an alternate; and

(B) serve on the Board if such member is absent from a meeting or is disqualified under paragraph (5).

(4) TERMS.—Members of the Board shall be appointed for a term of 3 years. Of the members first appointed—

(A) 3 members shall be appointed for a term of 1 year;

(B) 4 members shall be appointed for a term of 2 years; and

(C) 4 members shall be appointed for a term of 3 years;

as designated by the Secretary at the time of appointment.

(5) REPLACEMENT.—If a member or alternate of the Board who was appointed as a producer, importer, or public representative ceases to belong to the group for which such member was appointed, such member or alternate shall be disqualified from serving on the Board.

(6) COMPENSATION.—Members and alternates of the Board shall serve without pay.

(7) TRAVEL EXPENSES.—While away from their homes or regular places of business in the performance of duties for the Board, members and alternates shall be allowed travel expenses, including a per diem allowance in lieu of subsistence, in the same manner as persons employed intermittently in Government service are allowed travel expenses under section 5703 of title 5, United States Code.

(8) POWERS AND DUTIES.—The Board shall—

(A) administer orders issued by the Secretary under section 1954(a), and amendments to such orders, in accordance with their terms and provisions and consistent with this subtitle;

(B) prescribe rules and regulations to effectuate the terms and provisions of such orders;

(C) receive, investigate, and report to the Secretary accounts of violations of such orders;

(D) make recommendations to the Secretary with respect to amendments that should be made to such orders; and

(E) employ a manager and staff.

(c) BUDGETS AND PLANS.—Such order shall provide for periodic budgets and plans as follows:

(1) BUDGETS.—The Board shall prepare and submit to the Secretary a budget (on a fiscal period basis determined by the Secretary) of the anticipated expenses and disbursements of the Board in the administration of the order, including probable costs of research, promotion, and consumer information. A budget shall take effect on the approval of the Secretary.

(2) PLANS.—Each budget shall include a plan for research, promotion, and consumer information regarding limes. A plan under this paragraph shall take effect on the approval of the Secretary. The Board may enter into contracts and agreements, with the approval of the Secretary, for—

(A) the development and carrying out of such plan; and

(B) the payment of the cost of such plan with funds collected pursuant to this subtitle.

(d) ASSESSMENTS.—Such order shall provide for the imposition and collection of assessments with regard to the production and importation of limes as follows:

(1) RATE.—The assessment rate shall not exceed $.01 per pound of limes.

(2) COLLECTION BY FIRST HANDLERS.—Except as provided in paragraph (4), the first handler of limes shall—

(A) be responsible for the collection from the producer, and payment to the Board, of assessments under this subsection; and

(B) maintain a separate record of the limes of each producer whose limes are so handled, including the limes owned by the handler.

(3) PRODUCER-HANDLERS.—For purposes of paragraph (2), a producer-handler shall be considered the first handler of limes produced by such producer-handler.

(4) Importers.—The assessment on imported limes shall be paid by the importer at the time of entry into the United States and shall be remitted to the Board.

(5) De minimis exception.—The following persons are exempt from an assessment under this subsection—

(A) a producer who produces less than 35,000 pounds of limes per year;

(B) a producer-handler who produces and handles less than 35,000 pounds of limes per year; and

(C) an importer who imports less than 35,000 pounds of limes per year.

(6) Claiming an exemption.—To claim an exemption under paragraph (5) for a particular year, a person shall submit an application to the Board—

(A) stating the basis for such exemption; and

(B) certifying that such person will not exceed the limitation required for such exemption in such year.

(e) Use of Assessments.—

(1) In general.—Such order shall provide that funds paid to the Board as assessments under subsection (d)—

(A) may be used by the Board to—

(i) pay for research, promotion, and consumer information described in the budget of the Board under subsection (c) and for other expenses incurred by the Board in the administration of an order;

(ii) pay such other expenses for the administration, maintenance, and functioning of the Board as may be authorized by the Secretary; and

(iii) fund a reserve established under section 1956(4); and

(B) shall be used to pay the expenses incurred by the Secretary, including salaries and expenses of government employees in implementing and administering the order, except as provided in paragraph (2).

(2) Referenda.—Such order shall provide that the Board shall reimburse the Secretary, from assessments collected under subsection (d), for any expenses incurred by the Secretary in conducting referenda under this subtitle, except for the salaries of Government employees.

(f) False Claims.—Such order shall provide that any promotion funded with assessments collected under subsection (d) may not make—

(1) any false or unwarranted claims on behalf of limes; and

(2) any false or unwarranted statements with respect to the attributes or use of any product that competes with limes for sale in commerce.

(g) Prohibition on Use of Funds.—Such order shall provide that funds collected by the Board under this subtitle through assessments authorized by this subtitle may not, in any manner, be used for the purpose of influencing legislation or governmental policy or action, except for making recommendations to the Secretary as provided for in this subtitle.

(h) Books, Records, and Reports.—

(1) By the board.—Such order shall require the Board—

(A) to maintain books and records with respect to the receipt and disbursement of funds received by the Board;

(B) to submit to the Secretary from time to time such reports as the Secretary may require for appropriate accounting; and

(C) to submit to the Secretary at the end of each fiscal year a complete audit report regarding the activities of the Board during such fiscal year.

(2) BY OTHERS.—So that information and data will be available to the Board and the Secretary that is appropriate or necessary for the effectuation, administration, or enforcement of this subtitle (or any order or regulation issued under this subtitle), such order shall require handlers, producer-handlers, and importers who are responsible for the collection, payment, or remittance of assessments under subsection (d)—

(A) to maintain and make available for inspection by the employees of the Board and the Secretary such books and records as may be required by the order; and

(B) to file, at the times, in the manner, and having the content prescribed by the order, reports regarding the collection, payment, or remittance of such assessments.

(i) CONFIDENTIALITY.—

(1) IN GENERAL.—Such order shall require that all information obtained pursuant to subsection (h)(2) shall be kept confidential by all officers and employees of the Department and of the Board. Only such information as the Secretary considers relevant shall be disclosed to the public and only in a suit or administrative hearing, brought at the request of the Secretary or to which the Secretary or any officer of the United States is a party, involving the order with respect to which the information was furnished or acquired.

(2) LIMITATIONS.—Nothing in this subsection prohibits—

(A) issuance of general statements based on the reports of a number of handlers, producer-handlers, and importers subject to an order, if the statements do not identify the information furnished by any person; or

(B) the publication by direction of the Secretary, of the name of any person violating an order issued under section 1954(a), together with a statement of the particular provisions of the order violated by such person.

(j) WITHHOLDING INFORMATION.—Nothing in this subtitle shall be construed to authorize the withholding of information from Congress.

SEC. 1956. PERMISSIVE TERMS IN ORDERS.

On the recommendation of the Board and with the approval of the Secretary, an order issued under section 1954(a) may—

(1) provide authority to the Board to exempt from such order limes exported from the United States, subject to such safeguards as the Board may establish to ensure proper use of the exemption;

(2) provide authority to the Board to designate different handler payment and reporting schedules to recognize differences in marketing practices and procedures;

(3) provide that the Board may convene from time to time working groups drawn from producers, handlers, producer-handlers, importers, exporters, or the general public to assist in the development of research and marketing programs for limes;

(4) provide authority to the Board to accumulate reserve funds from assessments collected pursuant to section 1955(d) to permit an effective and continuous coordinated program of research, promotion, and consumer information, in years in which production and assessment income may be reduced, except that any reserve fund so established may not exceed the amount budgeted for operation of this subtitle for 1 year;

(5) provide authority to the Board to use, with the approval of the Secretary, funds collected under section 1955(d) for the development and expansion of lime sales in foreign markets; and

(6) provide for terms and conditions—

(A) incidental to, and not inconsistent with, the terms and conditions specified in this subtitle; and

(B) necessary to effectuate the other provisions of such order.

SEC. 1957. PETITION AND REVIEW.

(a) PETITION.—

(1) IN GENERAL.—A person subject to an order may file with the Secretary a petition—

(A) stating that such order, a provision of such order, or an obligation imposed in connection with such order is not in accordance with law; and

(B) requesting a modification of the order or an exemption from the order.

(2) HEARINGS.—A person submitting a petition under paragraph (1) shall be given an opportunity for a hearing on the petition, in accordance with regulations issued by the Secretary.

(3) RULING.—After the hearing, the Secretary shall make a ruling on the petition which shall be final if in accordance with law.

(b) REVIEW.—

(1) COMMENCEMENT OF ACTION.—The district courts of the United States in any district in which such person who is a petitioner under subsection (a) resides or carries on business are hereby vested with jurisdiction to review the ruling on such person's petition, if a complaint for that purpose is filed within 20 days after the date of the entry of a ruling by the Secretary under subsection (a).

(2) PROCESS.—Service of process in such proceedings shall be conducted in accordance with the Federal Rules of Civil Procedure.

(3) REMANDS.—If the court determines that the ruling is not in accordance with law, the court shall remand the matter to the Secretary with directions either—

(A) to make such ruling as the court shall determine to be in accordance with law; or

(B) to take such further action as, in the opinion of the court, the law requires.

(4) Enforcement.—The pendency of proceedings instituted pursuant to subsection (a) shall not impede, hinder, or delay the Attorney General or the Secretary from obtaining relief pursuant to section 1958.

SEC. 1958. ENFORCEMENT.

(a) Jurisdiction.—Each district court of the United States shall have jurisdiction specifically to enforce, and to prevent and restrain any person from violating, any order or regulation made or issued by the Secretary under this subtitle.

(b) Referral to Attorney General.—A civil action authorized to be brought under this section shall be referred to the Attorney General for appropriate action, except that the Secretary is not required to refer to the Attorney General a violation of this subtitle, or any order or regulation issued under this subtitle, if the Secretary believes that the administration and enforcement of this subtitle would be adequately served by administrative action under subsection (c) or suitable written notice or warning to any person committing the violation.

(c) Civil Penalties and Orders.—

(1) Civil penalties.—Any person who willfully violates any provision of any order or regulation issued by the Secretary under this subtitle, or who fails or refuses to pay, collect, or remit any assessment or fee duly required of the person under the order or regulation, may be assessed a civil penalty by the Secretary of not less than $500 nor more than $5,000 for each such violation. Each violation shall be a separate offense.

(2) Cease and desist orders.—In addition to or in lieu of such civil penalty, the Secretary may issue an order requiring such person to cease and desist from continuing such violation.

(3) Notice and hearing.—No order assessing a penalty or cease and desist order may be issued by the Secretary under this subsection unless the Secretary gives the person against whom the order is issued notice and opportunity for a hearing on the record before the Secretary with respect to such violation.

(4) Finality.—The order of the Secretary assessing a penalty or imposing a cease and desist order shall be final and conclusive unless the person against whom the order is issued files an appeal from such order with the appropriate district court of the United States, in accordance with subsection (d).

(d) Review by United States District Court.—

(1) Commencement of action.—Any person against whom a violation is found and a civil penalty assessed or cease and desist order issued under subsection (c) may obtain review of the penalty or order in the district court of the United States for the district in which such person resides or does business, or the United States district court for the District of Columbia, by—

(A) filing a notice of appeal in such court not later than 30 days after the date of such order; and

(B) simultaneously sending a copy of such notice by certified mail to the Secretary.

(2) Record.—The Secretary shall promptly file in such court a certified copy of the record on which the Secretary found that the person had committed a violation.

(3) STANDARD OF REVIEW.—A finding of the Secretary shall be set aside only if the finding is found to be unsupported by substantial evidence.

(e) FAILURE TO OBEY ORDERS.—Any person who fails to obey a cease and desist order issued by the Secretary after the order has become final and unappealable, or after the appropriate United States district court has entered a final judgment in favor of the Secretary, shall be subject to a civil penalty assessed by the Secretary, after opportunity for a hearing and for judicial review under the procedures specified in subsections (c) and (d), of not more than $500 for each offense. Each day during which such failure continues shall be considered a separate violation of such order.

(f) FAILURE TO PAY PENALTIES.—If a person fails to pay an assessment of a civil penalty after it has become a final and unappealable order issued by the Secretary, or after the appropriate United States district court has entered final judgment in favor of the Secretary, the Secretary shall refer the matter to the Attorney General for recovery of the amount assessed in the district court of the United States in any district in which the person resides or conducts business. In such action, the validity and appropriateness of the final order imposing such civil penalty shall not be subject to review.

SEC. 1959. INVESTIGATIONS AND POWER TO SUBPOENA.

(a) IN GENERAL.—The Secretary may make such investigations as the Secretary considers necessary—

(1) for the effective carrying out of the responsibilities of the Secretary under this subtitle; or

(2) to determine whether a person subject to the provisions of this subtitle has engaged or is engaging in any act that constitutes a violation of any provision of this subtitle, or any order, rule, or regulation issued under this subtitle.

(b) POWER TO SUBPOENA.—

(1) INVESTIGATIONS.—For the purpose of an investigation made under subsection (a), the Secretary may administer oaths and affirmations and may issue a subpoena to require the production of any records that are relevant to the inquiry. The production of any such records may be required from any place in the United States.

(2) ADMINISTRATIVE HEARINGS.—For the purpose of an administrative hearing held under section 1957 or section 1958, the presiding officer is authorized to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any records that are relevant to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States.

(c) AID OF COURTS.—In case of contumacy by, or refusal to obey a subpoena to, any person, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in order to enforce a subpoena issued by the Secretary under subsection (b). The court may issue an order requiring such person to comply with such a subpoena.

(d) Contempt.—Any failure to obey such order of the court may be punished by such court as a contempt thereof.

(e) Process.—Process in any such case may be served in the judicial district of which such person resides or conducts business or wherever such person may be found.

(f) Hearing Site.—The site of any hearings held under section 1957 or 1958 shall be within the judicial district where such person is an inhabitant or has a principal place of business.

SEC. 1960. INITIAL REFERENDUM.

(a) Requirement.—Not later than 2 years after the date on which the Secretary first issues an order under section 1954(a), the Secretary shall conduct a referendum among producers, producer-handlers, and importers who—

(1) are not exempt from assessment under section 1955(d)(5); and

(2) produced or imported limes during a representative period as determined by the Secretary.

(b) Purpose of Referendum.—The referendum referred to in subsection (a) is for the purpose of determining whether the issuance of the order is approved or favored by not less than a majority of the producers, producer-handlers, and importers voting in the referendum. The order shall continue in effect only with such a majority.

(c) Confidentiality.—The ballots and other information or reports that reveal, or tend to reveal, the vote of any person under this section, or section 1961, shall be held strictly confidential and shall not be disclosed.

(d) Refund of Assessments From Escrow Account.—

(1) In general.—A portion of the assessments collected from producers, producer-handlers, and importers prior to announcement of the results of the referendum provided for in this section shall be held in an escrow account until the results of the referendum are published by the Secretary. The amount in the escrow account shall be equal to the product obtained by multiplying the total amount of assessments collected during such period by 10 percent.

(2) Approval of order.—If the order is approved by a majority of the producers, producer-handlers, and importers voting in the initial referendum under subsection (a), the funds in the escrow account shall be released to be used for the purposes of this subtitle.

(3) Disapproval of order.—

(A) Proration.—If—

(i) the amount in the escrow account required by paragraph (1) is not sufficient to refund the total amount of assessments demanded by producers, producer-handlers, or importers; and

(ii) the plan is not approved pursuant to the referendum conducted under subsection (a);

the Board shall prorate the amount of such refunds among all eligible producers, producer-handlers, or importers who demand such refund.

(B) Right to refund.—A producer, producer-handler, or importer shall be eligible to receive a refund—

(i) if demand is made personally, in accordance with regulations and on a form and within a time period prescribed by the Board, but in no event less than 90 days after the date of publication of the results of the referendum; and

(ii) on submission of proof satisfactory to the Board that the person paid the assessment for which refund is sought and did not collect the assessment from another person.

(C) SURPLUS FUNDS.—Any funds not refunded under this paragraph shall be released to be used to carry out this subtitle.

SEC. 1961. SUSPENSION AND TERMINATION.

(a) FINDING OF SECRETARY.—If the Secretary finds that an order issued under section 1954(a), or a provision of such order, obstructs or does not tend to effectuate the purposes of this subtitle, the Secretary shall terminate or suspend the operation of such order or provision.

(b) PERIODIC REFERENDA.—The Secretary may periodically conduct a referendum to determine if lime producers, producer-handlers, and importers favor the continuation, termination, or suspension of any order issued under section 1954(a) and in effect at the time of such referendum.

(c) REQUIRED REFERENDA.—The Secretary shall hold a referendum under subsection (b)—

(1) at the request of the Board; or

(2) if not less than 10 percent of the lime producers, producer-handlers, and importers subject to assessment under this subtitle submit a petition requesting such a referendum.

(d) LIMITATION.—The termination or suspension of any order, or any provision thereof, shall not be considered an order within the meaning of this subtitle.

(e) VOTE.—The Secretary shall suspend or terminate the order at the end of the marketing year if the Secretary determines that—

(1) the suspension or termination of the order is favored by not less than a majority of those persons voting in a referendum under subsection (b); and

(2) the producers, producer-handlers, and importers comprising this majority produce and import more than 50 percent of the volume of limes produced and imported by those voting in the referendum.

SEC. 1962. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated for each fiscal year such funds as are necessary to carry out this subtitle.

(b) ADMINISTRATIVE EXPENSES.—The funds so appropriated shall not be available for payment of the expenses or expenditures of the Board in administering any provisions of an order issued under this subtitle.

SEC. 1963. REGULATIONS.

The Secretary may issue such regulations as are necessary to carry out this subtitle.

Subtitle E—Soybeans

SEC. 1965. SHORT TITLE.

This subtitle may be cited as the "Soybean Promotion, Research, and Consumer Information Act".

SEC. 1966. FINDINGS AND DECLARATION OF POLICY.

(a) FINDINGS.—Congress finds that—

(1) soybeans are an important source of nutritious foods that are a valuable part of the human diet and are an important feedstuff for the livestock industry;

(2) the production of soybeans plays a significant role in the economy of the United States in that soybeans are produced by thousands of soybean producers, processed by numerous processing entities, and soybeans and soybean products produced in the United States are consumed by people and livestock throughout the United States and foreign countries;

(3) soybeans and soybean products should be readily available and marketed efficiently to ensure that consumers have an adequate supply of soybean products at a reasonable price;

(4) the maintenance and expansion of existing markets and development of new markets for soybeans and soybean products are vital to the welfare of soybean producers and processors and those concerned with marketing soybeans and soybean products, as well as to the general economy of the United States, and are necessary to ensure the ready availability and efficient marketing of soybeans and soybean products;

(5) there exist established State and national organizations conducting soybean promotion, research, and consumer education programs that are valuable to the efforts of promoting the consumption of soybeans and soybean products;

(6) the cooperative development, financing, and implementation of a coordinated national program of soybean promotion, research, consumer information, and industry information are necessary to maintain and expand existing markets and develop new markets for soybeans and soybean products; and

(7) soybeans and soybean products move in interstate and foreign commerce, and soybeans and soybean products that do not move in such channels of commerce directly burden or affect interstate commerce in soybeans and soybean products.

(b) POLICY.—Congress declares that it is in the public interest to authorize the establishment, through the exercise of the powers provided in this subtitle, of an orderly procedure for developing, financing through assessments on domestically-produced soybeans, and implementing a program of promotion, research, consumer information, and industry information designed to strengthen the soybean industry's position in the marketplace, to maintain and expand existing domestic and foreign markets and uses for soybeans and soybean products, and to develop new markets and uses for soybeans and soybean products.

(c) CONSTRUCTION.—Nothing in this subtitle may be construed to provide for the control of production or otherwise limit the right of individual producers to produce soybeans.

SEC. 1967. DEFINITIONS.

As used in this subtitle:

(1) Board.—The term "Board" means the United Soybean Board established under section 1969(b).

(2) Commerce.—The term "commerce" includes interstate, foreign, and intrastate commerce.

(3) Committee.—The term "Committee" means the Soybean Program Coordinating Committee established under section 1969(g).

(4) Consumer information.—The term "consumer information" means information that will assist consumers and other persons in making evaluations and decisions regarding the purchase, preparation, and use of soybeans or soybean products.

(5) Department.—The term "Department" means the Department of Agriculture.

(6) First purchaser.—The term "first purchaser" means—

(A) except as provided in subparagraph (B), any person buying or otherwise acquiring from a producer soybeans produced by such producer; or

(B) the Commodity Credit Corporation, in any case in which soybeans are pledged as collateral for a loan issued under any price support loan program administered by the Commodity Credit Corporation.

(7) Industry information.—The term "industry information" means information and programs that will lead to the development of new markets, new marketing strategies, or increased efficiency for the soybean industry, and activities to enhance the image of the soybean industry.

(8) Marketing.—The term "marketing" means the sale or other disposition of soybeans or soybean products in any channel of commerce.

(9) Net market price.—The term "net market price" means—

(A) except as provided in subparagraph (B), the sales price or other value received by a producer for soybeans after adjustments for any premium or discount based on grading or quality factors, as determined by the Secretary; or

(B) for soybeans pledged as collateral for a loan issued under any price support loan program administered by the Commodity Credit Corporation, the principal amount of the loan.

(10) Order.—The term "order" means an order issued under section 1968.

(11) Person.—The term "person" means any individual, group of individuals, partnership, corporation, association, cooperative, or any other legal entity.

(12) Producer.—The term "producer" means any person engaged in the growing of soybeans in the United States who owns, or who shares the ownership and risk of loss of, such soybeans.

(13) Promotion.—The term "promotion" means any action, including paid advertising, technical assistance, and trade servicing activities, to enhance the image or desirability of soybeans

or soybean products in domestic and foreign markets, and any activity designed to communicate to consumers, importers, processors, wholesalers, retailers, government officials, or others information relating to the positive attributes of soybeans or soybean products or the benefits of importation, use, or distribution of soybeans and soybean products.

(14) QUALIFIED STATE SOYBEAN BOARD.—The term "qualified State soybean board" means a State soybean promotion entity that is authorized by State law. If no such entity exists in a State, the term "qualified State soybean board" means a soybean producer-governed entity—

(A) that is organized and operating within a State;

(B) that receives voluntary contributions and conducts soybean promotion, research, consumer information, or industry information programs; and

(C) that meets criteria established by the Board as approved by the Secretary relating to the qualifications of such entity to perform duties under the order and is recognized by the Board as the soybean promotion and research entity within the State.

(15) RESEARCH.—The term "research" means any type of study to advance the image, desirability, marketability, production, product development, quality, or functional or nutritional value of soybeans or soybean products, including any research activity designed to identify and analyze barriers to export sales of soybeans and soybean products.

(16) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(17) SOYBEAN PRODUCTS.—The term "soybean products" means products produced in whole or in part from soybeans or soybean by-products.

(18) SOYBEANS.—The term "soybeans" means all varieties of Glycine max or Glycine soya.

(19) STATE.—The terms "State" and "United States" consist of the 50 States of the United States of America, the District of Columbia, and the Commonwealth of Puerto Rico.

SEC. 1968. ISSUANCE AND AMENDMENT OF ORDERS.

(a) IN GENERAL.—To effectuate the declared policy of section 1966(b), the Secretary, subject to the procedures provided in subsection (b), shall issue orders under this subtitle applicable to producers and first purchasers of soybeans. Any such order shall be national in scope, and not more than one order shall be in effect under this subtitle at any one time.

(b) PROCEDURE.—

(1) PROPOSAL OR REQUEST FOR ISSUANCE.—The Secretary may propose the issuance of an order under this subtitle, or an association of soybean producers or any other person that would be affected by an order issued pursuant to this subtitle may request the issuance of, and submit a proposal for, such an order.

(2) NOTICE AND COMMENT CONCERNING PROPOSED ORDER.—Not later than 30 days after the receipt of a request and proposal for an order pursuant to paragraph (1), or whenever the Secretary determines to propose an order, the Secretary shall pub-

lish a proposed order and give due notice and opportunity for public comment on the proposed order.

(3) ISSUANCE OF ORDER.—After notice and opportunity for public comment are given as provided in paragraph (2), the Secretary shall issue an order, taking into consideration the comments received and including in the order provisions necessary to ensure that the order is in conformity with the requirements under this subtitle. Such order shall be issued and become effective not later than 180 days following publication of the proposed order.

(c) AMENDMENTS.—The Secretary, from time to time, may amend any order issued under this section. The provisions of this subtitle applicable to orders shall be applicable to amendments to orders.

SEC. 1969. REQUIRED TERMS IN ORDERS.

(a) IN GENERAL.—Any order issued under this subtitle shall contain the terms and conditions specified in this section.

(b) ESTABLISHMENT AND MEMBERSHIP OF THE UNITED SOYBEAN BOARD.—

(1) IN GENERAL.—The order shall provide for the establishment of, and appointment of members to, a United Soybean Board to administer the order. Members of the Board shall be soybean producers appointed by the Secretary, on a geographic basis, from State or combined units, as provided in this subsection. The cumulative number of seats on the Board shall be the total number of seats to which all the units are entitled.

(2) SEATS.—The Secretary shall establish State units and combined units and seats on the Board for such units, as follows:

(A) STATE UNITS.—Except as provided in subparagraph (B), each State shall be considered as a unit.

(B) COMBINED UNITS.—A State in which average annual soybean production is less than 3,000,000 bushels shall be grouped with other States into a combined unit. To the extent practicable, each State with average annual soybean production of less than 3,000,000 bushels shall be grouped with other States with average annual soybean production of less than 3,000,000 bushels into a combined unit, in a manner prescribed in the order, and each combined unit shall consist of geographically contiguous States. To the extent practicable, each combined unit shall have an average annual production of soybeans of at least 3,000,000 bushels.

(C) NUMBER OF SEATS PER UNIT.—Subject to subparagraph (F), each unit, as established under subparagraph (A) or (B)—

(i) if its average annual soybean production is less than 15,000,000 bushels, shall be entitled to one seat on the Board;

(ii) if its average annual soybean production is 15,000,000 bushels or more but less than 70,000,000 bushels, shall be entitled to 2 seats on the Board;

(iii) if its average annual soybean production is 70,000,000 bushels or more but less than 200,000,000 bushels, shall be entitled to 3 seats on the Board; and

(iv) if its average annual soybean production is 200,000,000 bushels or more, shall be entitled to 4 seats on the Board.

(D) DETERMINATION OF AVERAGE ANNUAL SOYBEAN PRODUCTION.—For purposes of subparagraphs (A), (B), (C), and (F), the Secretary shall determine average annual soybean production applicable to a crop year by using the average of the 5 previous crops of soybeans, excluding the crop in which production was the highest and the crop in which production was the lowest.

(E) REAPPORTIONMENT OF SEATS.—At the end of each 3 year period beginning with the 3 year period starting on the effective date of the order, the Secretary, if necessary, shall adjust any unit to conform with subparagraphs (A) and (B). If the Secretary makes such an adjustment, the Secretary shall reapportion the seats on the Board to conform with subparagraph (C) and any modifications made under subparagraph (F). If payment of refunds following the initial referendum conducted under section 1970(a) is authorized by producers, in making such adjustments, the Secretary shall exclude, from each State's annual soybean production, those bushels of soybeans on which such refunds are paid.

(F) ADJUSTMENT OF LEVELS OF PRODUCTION.—At the end of each 3 year period beginning with the 3 year period starting on the effective date of the order, the Board may recommend to the Secretary, to the extent it determines appropriate, changes in the levels of production used in subparagraphs (A), (B), and (C) to determine per-unit representation on the Board. The Secretary may amend the order to make such changes in levels of production used to determine per-unit representation. Any such amendment to the order shall not be subject to a referendum of producers. A unit may not, as a result of any modification under this subparagraph, lose Board seats to which it is entitled at the time the order is initially issued unless its average annual production, as determined under subparagraph (D), declines below the levels required for representation, as specified in subparagraphs (A), (B), and (C).

(3) NOMINATIONS.—

(A) IN GENERAL.—The Secretary shall appoint soybean producers to seats established under paragraph (2) from nominations submitted by each unit. Each unit shall submit to the Secretary at least two nominations for each appointment to the Board to which the unit is entitled, as determined under paragraph (2).

(B) METHOD FOR OBTAINING NOMINATIONS.—

(i) INITIALLY-ESTABLISHED BOARD.—

(I) STATE UNITS.—The Secretary shall solicit nominations for each seat on the initially-established Board to which a State unit is entitled from

the State soybean board in the State that submits satisfactory evidence to the Secretary that such board meets the criteria of subparagraph (A) or (B) of section 1967(14). If no such organization exists in the unit, the Secretary shall solicit nominations for appointments in such manner as the Secretary determines appropriate.

(II) COMBINED UNITS.—The Secretary shall solicit nominations for each seat on the initially-established Board to which a combined unit is entitled in such manner as the Secretary determines appropriate, taking into consideration the recommendations of any State soybean board operating in the unit that submits to the Secretary satisfactory evidence that such board meets the criteria described in subparagraph (A) or (B) of section 1967(14).

(ii) SUBSEQUENT APPOINTMENT.—

(I) STATE UNITS.—Nominations for each subsequent appointment to a seat on the Board to which a State unit is entitled shall be made by the qualified State soybean board in the unit. If no such organization exists in the unit, the Secretary shall solicit nominations for such appointment in such manner as the Secretary determines appropriate.

(II) COMBINED UNITS.—The Secretary shall solicit nominations for each subsequent appointment to the Board to which a combined unit is entitled in such manner as the Secretary determines appropriate, taking into consideration the recommendations of any qualified State soybean board operating in the unit.

(iii) REJECTION.—The Secretary may reject any nomination submitted by a unit under this paragraph. If there are insufficient nominations from which to appoint members to the Board as a result of the Secretary rejecting the nominations submitted by a unit, the unit shall submit additional nominations, as provided in this paragraph.

(4) TERMS.—Each appointment to the Board shall be for a term of 3 years, except that appointments to the initially-established Board shall be proportionately for 1-year, 2-year, and 3-year terms. No person may serve more than three consecutive 3-year terms.

(5) COMPENSATION.—Board members shall serve without compensation, but shall be reimbursed for their reasonable expenses incurred in performing their duties as members of the Board.

(6) TEMPORARY APPOINTMENTS.—

(A) APPOINTMENT.—Notwithstanding paragraphs (1) through (5), the Secretary, under procedures established by the Secretary, shall appoint to the initially-established Board up to three temporary members to serve in addition to the members appointed as otherwise provided in this subsection, as the Secretary determines appropriate for transition purposes under the criteria set out in subpara-

graph (B). Each such temporary member shall be appointed for a single term not to exceed 3 years.

(B) Representation of certain states.—The Secretary shall make temporary appointments to the initially-established Board to ensure, to the extent practicable, that each State with a State soybean board that, prior to the date of enactment of this Act, was contributing State soybean promotion and research assessment funds to national soybean promotion and research efforts has representation on the initially-established Board that reflects the relative contributions of such State to the national soybean promotion and research effort.

(7) Meetings.—The order shall provide for at least one meeting of the Board annually and specify the circumstances under which additional special meetings of the Board may be held.

(c) Powers and Duties of the Board.—The order shall define the powers and duties of the Board and shall include the power and duty—

(1) to administer the order in accordance with the terms and provisions of the order;

(2) to make regulations to effectuate the terms and provisions of the order;

(3) if the Board exercises its authority to establish the Committee described in subsection (g)—

(A) to elect members of the Board to serve on the Committee; and

(B) if the Board assigns to the Committee the power to develop and submit budgets as provided for in subsection (h)(1), to approve, modify, or reject budgets submitted by the Committee;

(4) to submit budgets to the Secretary for the approval or disapproval of the Secretary;

(5) to contract with appropriate persons to implement plans or projects;

(6) to contract with qualified State soybean boards to implement programs in their States;

(7) to receive, investigate, and report to the Secretary complaints of violations of the order;

(8) to recommend to the Secretary amendments to the order;

(9) to provide the Secretary with prior notice of meetings of the Board and meetings of committees of the Board to permit the Secretary, or a designated representative, to attend such meetings; and

(10) to provide not less than annually a report to producers accounting for funds and describing programs implemented, and such reports shall be made available to the public on request.

(d) Board Voting Procedures.—

(1) In general.—The order shall establish procedures for the conduct of voting by the Board, as provided in this subsection. On or after the end of the 3-year period beginning on the effective date of the order, the Board may recommend to the Secretary changes in the voting procedures of the Board and the Sec-

retary may amend the order to make such changes. Such changes shall not be subject to a referendum of producers.

(2) NUMBER OF VOTES PER MEMBER.—Each member of the Board shall be entitled, in any vote conducted by the Board, to cast the number of votes determined under the following rules:

(A) IN GENERAL.—Each member shall be entitled to cast one vote unless a roll call vote is conducted. On a roll call vote, each member shall be entitled to cast such additional votes as are assigned to the member under subparagraph (B).

(B) ADDITIONAL VOTES.—The additional votes that each member is assigned for roll call votes shall be computed as follows:

(i) ASSESSMENT LEVEL.—Except as provided in clause (ii), each unit shall be allotted one vote for each percent, or portion of a percent, of the total amount of assessments remitted to the Board that was remitted from the unit (net of any refunds made under subsection (l)(2)), on the average, during each of the 3 previous fiscal years of the Board.

(ii) FIRST THREE FISCAL YEARS.—

(I) FIRST FISCAL YEAR.—During the first fiscal year of the Board, each unit shall be allotted one vote for each percent, or portion of a percent, of the total production of soybeans in the United States that was produced in the unit, on the average, during each of the 3 immediately preceding crop years.

(II) SECOND AND THIRD FISCAL YEARS.—The order shall provide appropriate adjustments of the procedure for the allotment of votes under clause (i) to apply to allotments of votes during the second and third fiscal years of the Board.

(iii) DIVISION OF VOTES WITHIN UNITS.—A unit's total votes under clause (i) or (ii) shall be divided equally among all the members present and voting representing that unit. The procedures established by the order shall provide for the equitable disposition of fractional votes assigned to a member under such division of a unit's vote.

(3) MOTIONS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), a motion shall carry if approved by a simple majority of members of the Board casting votes.

(B) ROLLCALL VOTES.—Any member of the Board may call for a roll call vote on any motion. Except as otherwise provided in the bylaws adopted by the Board, whenever a roll call vote is conducted, the motion shall carry only if it is approved by a simple majority of all votes cast and a simple majority of all units voting (with the vote of each unit determined by a simple majority of all votes cast by members in that unit).

(4) Committee votes.—In any vote conducted by a committee of the Board, each member of the committee shall have one vote.

(5) Proxies.—A member may not cast votes by proxy.

(e) Budgets.—

(1) In general.—The order shall provide that the Board shall develop budgets on a fiscal year basis of anticipated expenses and disbursements under the order, including probable costs of administration and promotion, research, consumer information, and industry information projects. The Board shall submit such budgets or any substantial modification thereof to the Secretary for the Secretary's approval.

(2) Limitation.—No expenditure of funds may be made by the Board unless such expenditure is authorized under a budget or modification approved by the Secretary.

(f) Plans and Projects.—The order shall provide that the Board shall review or, on its own initiative, develop plans or projects of promotion, research, consumer information, and industry information, to be paid for with funds received by the Board. Such plans or projects shall not become effective until approved by the Secretary.

(g) Soybean Program Coordinating Committee.—

(1) Establishment.—The order may authorize the Board to establish a Soybean Program Coordinating Committee to assist in the administration of the order, as provided in this subsection.

(2) Membership.—

(A) Composition.—The Committee shall be composed of members such that—

(i) not less than two-thirds of the Committee shall be members of the Board, including—

(I) the Chairperson and Treasurer of the Board; and

(II) additional members of the Board elected by the Board; and

(ii) not more than one-third of the Committee shall be producers elected by the national, nonprofit soybean producer-governed organization that conducts activities on behalf of State soybean boards and that, on the date of the enactment of this Act, conducts activities to promote soybeans and soybean products as a cooperator with the Foreign Agricultural Service of the Department.

(B) Certification.—To serve on the Committee, each producer elected by the national, nonprofit soybean producer-governed organization shall be certified by the Secretary as a producer who is duly elected by such organization as a representative to the Committee.

(3) Terms.—Terms of appointment to the Committee shall be for 1 year. No person may serve on the Committee for more than 6 consecutive terms.

(4) Compensation.—Committee members shall serve without compensation, but shall be reimbursed for their reasonable expenses incurred in performing duties for the Committee.

(5) CHAIRPERSON.—The Chairperson of the Board shall serve as Chairperson of the Committee.

(6) QUORUM.—A quorum of the Committee shall consist of the number of members of the Committee equal to three-fourths of the total membership of the Committee.

(h) POWERS AND DUTIES OF THE COMMITTEE.—The order shall define the powers and duties that the Board may assign to the Committee, which may include the following:

(1) BUDGETS.—The Board may assign to the Committee the power to develop and submit to the Board, for approval, budgets on a fiscal year basis, as provided for in subsection (e). The Board shall review and approve, reject, modify, or substitute a budget proposed by the Committee, and submit budgets to the Secretary for the Secretary's approval under subsection (e).

(2) PLANS AND PROJECTS.—The Board may assign to the Committee the power to review, or on its own initiative develop, plans or projects for promotion, research, consumer information, and industry information activities, to be paid for with funds received by the Board as provided for in subsection (f). Each such plan or project shall be presented to the Board for approval.

(3) VOTING.—A recommendation to be presented to the Board relating to proposed budgets or proposed plans and projects shall require the concurring vote of at least two-thirds of the members present at a meeting of the Committee.

(i) ADMINISTRATION.—

(1) EXPENSES.—The order shall provide that the Board shall be responsible for all expenses of the Board.

(2) STAFF.—

(A) IN GENERAL.—The order shall provide that the Board may establish an administrative staff or facilities of its own or contract for the use of the staff and facilities of national, nonprofit, producer-governed organizations that represent producers of soybeans.

(B) LIMITATION ON SALARIES.—If the Board establishes an administrative staff of its own, the Board is authorized to expend for administrative staff salaries and benefits an amount not to exceed one percent of the projected level of assessments to be collected by the Board, net of any refunds to be made under subsection (l)(2), for that fiscal year.

(C) REIMBURSEMENT OF ORGANIZATION.—If the staff of national, nonprofit, producer-governed organizations that represent producers of soybeans are used by the Board, the staff of such organizations shall not receive compensation directly from the Board, but such organizations shall be reimbursed for the reasonable expenses of their staffs, including salaries, incurred in performing staff duties on behalf of, and authorized by, the Board.

(3) LIMITATION ON ADMINISTRATIVE COSTS.—The order shall provide that costs incurred by the Board in administering the order (including the cost of staff but not including administrative costs incurred by the Secretary) during any fiscal year shall not exceed 5 percent of the projected level of assessments to be

collected by the Board, net of any refunds to be made under subsection (l)(2), for that fiscal year.

(j) CONTRACTS AND AGREEMENTS.—

(1) AUTHORITY.—To ensure coordination and efficient use of funds, the order shall provide that the Board may enter into contracts or agreements for the implementation and carrying out of the activities authorized by this subtitle with national, nonprofit, producer-governed organizations that represent producers of soybeans, and for the payment thereof with funds received by the Board under the order.

(2) COORDINATION.—To enhance coordination, the Board, when entering into contracts or agreements for the implementation and carrying out of activities authorized by this subtitle, shall ensure that all plans or projects implemented for consumer information, industry information, promotion, or research are each implemented by a single entity. There shall not be in force, at any one time, more than one contract or agreement for implementation of plans or projects for consumer information, for industry information, for promotion, or for research, except that, upon approval of the Secretary, the Board may contract with qualified State soybean boards to implement plans or projects within their respective States.

(3) TERMS.—Any contract or agreement entered into under this subsection shall provide that—

(A) the contracting party shall develop and submit to the Board a plan or project together with a budget or budgets that shall show estimated costs to be incurred for such plan or project;

(B) the plan or project shall not become effective until it has been approved by the Secretary; and

(C) the contracting party shall keep accurate records of all of its transactions, account for funds received and expended, including staff time, salaries, and expenses expended on behalf of Board activities, make periodic reports to the Board of activities conducted, and make such other reports as the Board or the Secretary may require.

(4) COMMUNICATIONS TO PRODUCERS.—The order may provide that—

(A) the Board may enter into contracts or agreements with qualified State soybean boards that apply therefor and agree to the terms thereof, for the implementation of plans or projects to coordinate and facilitate communications to producers regarding the conduct of activities under the order and for the payment of the costs of the plans or projects with funds received by the Board under the order; and

(B) to facilitate the funding of plans or projects described in subparagraph (A), if the order does not authorize the payment of refunds, the Board shall allocate for such funding each year an amount not less than the cumulative amount of all producer contributions to qualified State soybean boards during the previous year that the State boards were unable to retain, and forwarded to the Board, because producers received refunds on such State contributions, as

determined by the Board based on information submitted by the qualified State soybean boards.

(5) APPORTIONMENT OF FUNDS TO QUALIFIED STATE SOYBEAN BOARDS.—

(A) IN GENERAL.—In using the funds allocated each year under paragraph (4)(B) for payment of the costs of contracts or agreements described in paragraph (4)(A), subject to subparagraph (B), the Board shall apportion such allocated funds among States so that each qualified State soybean board receives an amount equal to the amount of such allocated funds attributable to refunds in the State during the previous year, as determined by the Board based on information submitted by the qualified State soybean boards.

(B) EXCEPTION.—The Board shall not be required to apportion funds to a qualified State soybean board, as provided in subparagraph (A), if—

(i) the qualified State soybean board has not entered into a contract or agreement with the Board for the implementation of plans or projects described in paragraph (4)(A); or

(ii) the amount to be apportioned to the qualified State soybean board is less than the cost to the Board of overseeing the use of such apportionment during the year involved, and the contract or agreement shall so provide.

(k) BOOKS AND RECORDS OF THE BOARD.—The order shall require the Board to—

(1) maintain such books and records, which shall be available to the Secretary for inspection and audit, as the Secretary may prescribe;

(2) prepare and submit to the Secretary, from time to time, such reports as the Secretary may prescribe; and

(3) account for the receipt and disbursement of all funds entrusted to the Board.

The Board shall cause its books and records to be audited by an independent auditor at the end of each fiscal year and a report of such audit to be submitted to the Secretary. The Secretary shall make such report available to the public upon request.

(l) ASSESSMENTS.—

(1) IN GENERAL.—

(A) FIRST PURCHASERS.—

(i) COLLECTION.—The order shall provide that each first purchaser of soybeans from a producer shall collect, in the manner prescribed by the order, an assessment from the producer and remit the assessment to the Board. The Board shall use qualified State soybean boards to collect such assessments in States in which such boards operate.

(ii) RATE.—The rate of assessment prescribed by the order shall be one-half of 1 percent of the net market price of soybeans sold by the producer to the first purchaser.

(iii) ONE ASSESSMENT.—No more than one assessment shall be made on any soybeans.

(B) DIRECT PROCESSING.—The order shall provide that any person processing soybeans of that person's own production and marketing such soybeans or soybean products made from such soybeans shall remit to the Board or the qualified State soybean board, in the manner prescribed by the order, an assessment established at a rate equivalent to the rate provided for in subparagraph (A)(ii).

(2) REFUNDS.—

(A) REFUNDS PRIOR TO INITIAL REFERENDUM.—

(i) IN GENERAL.—The order shall provide that, during the period prior to the approval of the continuation of the initial order in the referendum provided for in section 1970(a), as determined by the Secretary, each producer shall have the right to demand and receive from the Board a refund of any assessment collected from such producer if—

(I) such producer is responsible for paying the assessment; and

(II) such producer does not support the programs, projects, or activities implemented under the order.

(ii) BY BOARD.—During the period referred to in clause (i), refunds shall be provided equally from the Board and, where applicable, the qualified State soybean board, as determined by the Secretary.

(B) ADMINISTRATION.—Subject to subparagraph (C)(i), any demand by a producer for a refund of an assessment under this paragraph shall be made in accordance with regulations, on a form, and within the time period (not to exceed 90 days) prescribed by the Board.

(C) SUBMISSION OF REFUND DEMANDS.—

(i) IN GENERAL.—In each State in which a qualified State soybean board collects assessments, as provided in paragraph (1)(A)(i), producers shall submit demands for refunds of assessments to the qualified State soybean board. Such board shall provide notice to producers, in a manner prescribed by the Board, of their right to such refunds, and shall process such submissions under procedures established by State law applicable to refunds of assessments on soybeans, except that if no refunds are allowed under State law, such submissions shall be processed under procedures established under this paragraph.

(ii) NO QUALIFIED STATE SOYBEAN BOARD.—In each State in which there is no qualified State soybean board, producers shall submit demands for refunds of assessments directly to the Board.

(D) TIME LIMIT FOR MAKING REFUND.—Subject to subparagraph (C)(i), each refund to a producer of an assessment under this paragraph shall be made as soon as practicable, but in no event more than 60 days, after submission of proof satisfactory to the qualified State soybean board or

the Board that the producer paid the assessment for which refund is demanded.

(E) ORDER NOT FAVORED.—If the Secretary determines that producers do not favor the continuation of the order in the referendum provided for in section 1970(a), refunds shall be made under this paragraph on collected assessments until such collections are terminated, as provided in section 1970(a).

(F) REFUNDS AFTER THE INITIAL REFERENDUM.—

(i) IN GENERAL.—The order shall contain provisions relating to refunds after the approval of the order in the initial referendum under section 1970(a) as required in this subparagraph.

(ii) AVAILABILITY.—Effective for the period beginning on the date the Secretary determines the result of the initial referendum under section 1970(a) and ending on a date (not later than 18 months thereafter) established by the Secretary, the qualified State soybean board and, where no qualified State soybean board exists, the Board shall make refunds available to soybean producers at the end of the fiscal year from escrowed funds, as provided for in clause (vii). Such refunds shall be made available, under the procedures specified in subparagraphs (A) through (D) to the extent not inconsistent with this subparagraph, to producers who have requested refunds during such period.

(iii) POLL.—Not later than the end of the period provided for in clause (ii), the Secretary shall conduct a poll of soybean producers, using the procedures provided for in section 1970(b)(3), to determine if producers support the conduct of a referendum on the continuance of the payment of refunds under the order.

(iv) REFERENDUM.—If the Secretary determines, based on the poll conducted under clause (iii), that the conduct of a referendum is supported by at least 20 percent of the producers (not in excess of one-fifth of which may be producers in any one State) who, during a representative period, have been engaged in the production of soybeans, the Secretary shall conduct a referendum among all such producers for the purpose of determining whether such producers favor the continuation of the payment of refunds under the order. Such referendum shall be conducted, under the procedures provided for in section 1970, not later than 1 year after the Secretary determines, based on the poll, that the referendum is required.

(v) CONTINUED REFUNDS.—If the Secretary conducts a referendum under clause (iv), the qualified State soybean board and, where no qualified State soybean board exists, the Board shall continue to make refunds available to producers as provided for in clause (ii) during the period prior to the conduct of the referendum, which shall be payable at the end of the period from the escrowed funds, as provided in clause (vii).

(vi) CONTINUATION OR CESSATION OF REFUNDS.—If the Secretary determines, in the referendum conducted under clause (iv), that continuation of the payment of refunds is favored by a majority of the producers voting in such referendum, the qualified State soybean board and, where no qualified State soybean board exists, the Board shall continue to make refunds available to producers as provided for in clause (ii) for each 1-year period that follows until such time as soybean producers approve an amendment to the order to eliminate such refunds. Such refunds shall be payable at the end of each such 1-year period from escrowed funds, as provided in clause (vii). If the Secretary determines in the referendum that continuation of such refunds is not favored by a majority of producers voting in the referendum, the right to such refunds shall cease immediately.

(vii) ESCROW ACCOUNTS.—

(I) ESTABLISHMENT.—The qualified State soybean board and, for producers in States where no qualified State soybean board exists, the Board shall establish escrow accounts to be used to pay refunds under clause (ii) and, if necessary, clauses (v) and (vi).

(II) SEPARATE ACCOUNTS.—The qualified State soybean board and, where no qualified State soybean board exists, the Board shall establish separate escrow accounts for each State from which producer assessments are collected for the purpose of making refunds under clauses (ii), (v), and (vi), respectively.

(III) DEPOSITS.—The qualified State soybean board and, where no qualified State soybean board exists, the Board shall deposit into its escrow account for refunds under clause (ii), (v), or (vi), as appropriate, 10 percent of the total assessment collected by the qualified State soybean board and, where no qualified State soybean board exists, the Board (including the assessment provided under paragraph (2) and contributions by producers to qualified State soybean boards under paragraph (4)), during the time period involved.

(IV) REFUNDS MADE FROM ESCROW ACCOUNT.—Refunds requested by producers from a State under clause (ii) (or if refunds are available under clause (v) or (vi)) during the time period involved shall be made from the escrow account that is applicable to that clause for such State.

(V) PRORATION.—If the funds deposited in a State account established under subclause (I) for purposes described under clauses (ii), (v), and (vi) are not sufficient to honor all requests for refunds made by producers from that State during the time period involved, the qualified State soybean board

and, where no qualified State soybean board exists, the Board shall prorate the amount of such refunds from the State's account among all producers from that State that requests refunds.

(VI) SURPLUS FUNDS.—Any funds not refunded to producers in a State under this clause shall be divided equally between the Board and the qualified State soybean board of such State. Such funds shall be used to carry out programs under this subtitle.

(VII) REFUND PERIOD.—In applying this clause to refunds under clause (vi), each annual refund period shall be treated separately.

(3) USE.—The assessments (net of any refunds under paragraph (2)) shall be used for—

(A) payment of the expenses incurred in implementation and administration of the order;

(B) the establishment of a reasonable reserve; and

(C) reimbursement to the Secretary of administrative costs incurred by the Secretary to implement and administer the order, other than one-half of the cost incurred for the referendum conducted under paragraph (2)(F).

(4) CREDIT FOR CONTRIBUTIONS TO QUALIFIED STATE SOYBEAN BOARDS.—A producer who can establish that such producer is contributing to a qualified State soybean board shall receive credit, in determining the assessment due to the Board from such producer, for contributions to the qualified State soybean board of up to one-quarter of 1 percent of the net market price of soybeans or the equivalent thereof. For purposes of this subtitle, there shall be only one qualified State soybean board in each State. A producer may receive a credit under this paragraph only if the contribution is to the qualified State soybean board in the State in which the soybeans are produced, except that the Board, with the approval of the Secretary, may authorize exceptions to such State-of-origin rule as are appropriate to ensure effective coordination of collection procedures among States.

(5) SINGLE PROCESS OF ASSESSMENT.—The procedures in the order for the collection of assessments shall ensure, to the extent practicable, that such soybeans are subject to a single process of assessment under the order.

(m) CREDIT FOR CERTAIN COSTS TO STATES.—The order shall provide that the Board may provide a credit to each qualified State soybean board of an amount not to exceed one-half of any fees paid to State governmental agencies or first purchasers for collection of the assessments if the payment of such fees by the qualified State soybean board is required by State law enacted prior to the date of enactment of this Act, except that the Board may not provide a credit to any qualified State soybean board of an amount that exceeds 2.5 percent of the amount of assessments collected and remitted to the Board under subsection (l).

(n) MINIMUM LEVEL OF ASSESSMENTS TO STATES.—

(1) PRE-REFERENDUM PERIOD.—The order shall contain provisions to ensure that, during the period prior to the conduct of

the referendum provided for in section 1970(a), each qualified State soybean board receives annually an amount of funds equal to the average amount that the State board collected from assessments during each of the State board's fiscal years 1984 through 1988 (excluding the year in which such collections were the highest and the year in which such collections were the lowest), as determined by the Secretary and subject to paragraph (3).

(2) POST-REFERENDUM PERIOD.—The order shall provide, effective after the conduct of the referendum provided for in section 1970(a), subject to paragraph (3), that the Board annually shall provide a credit to each qualified State soybean board of an amount by which—

(A) the amount equal to 1 cent times the average number of bushels of soybeans produced in the State during each of the preceding 5 years (excluding the year in which the production is the highest and the year in which the production is the lowest); exceeds

(B) the total amount collected by the qualified State soybean board from assessments on producers minus the amount of assessments remitted to the Board during such year under subsection (l).

(3) LIMITATION.—The total amount of credits under paragraph (1) or (2) and assessments retained by the qualified State soybean board for a year may not exceed the total amount of assessments collected in that State under subsection (l) (net of any refunds made under paragraph (2) of subsection (l)) in that year.

(o) INVESTMENT OF FUNDS.—

(1) IN GENERAL.—The order shall provide that the Board, with the approval of the Secretary, may invest assessment funds collected by the Board under the order, pending their disbursement, only in—

(A) obligations of the United States or any agency thereof;

(B) general obligations of any State or any political subdivision thereof;

(C) any interest-bearing account or certificate of deposit of a bank that is a member of the Federal Reserve System; or

(D) obligations fully guaranteed as to principal and interest by the United States.

(2) INCOME.—Income from any such investment may be used for any purpose for which the invested funds may be used.

(p) PROHIBITION ON USE OF FUNDS TO INFLUENCE GOVERNMENTAL ACTION.—

(1) IN GENERAL.—Except as otherwise provided in paragraph (2), the order shall prohibit any funds collected by the Board under the order from being used in any manner for the purpose of influencing legislation or governmental action or policy.

(2) EXCEPTIONS.—Paragraph (1) shall not apply to—

(A) the development and recommendation of amendments to the order;

(B) the communication to appropriate government officials of information relating to the conduct, implementa-

tion, or results of promotion, research, consumer information, or industry information activities under the order; or

(C) any action designed to market soybeans or soybean products directly to a foreign government or political subdivision thereof.

(q) BOOKS AND RECORDS OF FIRST PURCHASERS AND CERTAIN PRODUCERS.—

(1) RECORDKEEPING.—

(A) IN GENERAL.—The order shall require that each first purchaser of soybeans and any person processing soybeans of that person's own production maintain and make available for inspection by the Board or the Secretary such books and records as may be required by the order and file reports at the time, in the manner, and having the content prescribed by the order. The order shall exempt small producers processing soybeans of their own production from such recordkeeping and reporting requirements if they are not required to pay assessments under the order.

(B) DEFINITION OF SMALL PRODUCER.—The order shall define the term "small producer" as such term is used in subparagraph (A).

(2) USE OF INFORMATION.—

(A) IN GENERAL.—Information maintained under paragraph (1) shall be made available to the Secretary as is appropriate for the administration or enforcement of this subtitle, or any order or regulation issued under this subtitle.

(B) OTHER INFORMATION.—The Secretary shall authorize the use under this subtitle of information regarding first purchasers that is accumulated under a law or regulation other than this subtitle or regulations under this subtitle.

(3) CONFIDENTIALITY.—

(A) IN GENERAL.—Except as otherwise provided in this subtitle, commercial or financial information that is obtained under paragraph (1) or (2) and that is privileged or confidential shall be kept confidential by all officers and employees of the Department, members of the Board, and agents of the Board.

(B) PERMITTED USES.—Information obtained under the authority of this subtitle shall be made available to any agency or officer of the Federal Government for—

(i) the implementation of this subtitle;

(ii) any investigatory or enforcement action necessary for the implementation of this subtitle; or

(iii) any civil or criminal law enforcement activity if the activity is authorized by law.

(C) OTHER EXCEPTIONS.—Nothing in subparagraph (A) may be deemed to prohibit—

(i) the issuance of general statements, based on the reports, of the number of persons subject to an order or statistical data collected therefrom, which statements do not identify the information furnished by any person; or

(ii) the publication, by direction of the Secretary, of the name of any person violating any order, together

with a statement of the particular provisions of the order violated by such person.

(4) Penalty.—Any person who willfully violates the provisions of this subsection, upon conviction, shall be subject to a fine of not more than $1,000, or to imprisonment for not more than one year, or both, and if a member or an agent of the Board; or an officer or employee of the Department, shall be removed from office.

(r) Incidental Terms and Conditions.—The order shall provide terms and conditions, not inconsistent with the provisions of this subtitle, as necessary to effectuate the provisions of the order, including provisions for the assessment of a penalty for each late payment of assessments under subsection (l).

SEC. 1970. REFERENDA.

(a) Initial Referendum.—

(1) Requirement.—Not earlier than 18 months or later than 36 months following issuance of an order under section 1968, the Secretary shall conduct a referendum among producers who, during a representative period as determined by the Secretary, have been engaged in the production of soybeans for the purpose of ascertaining whether the order then in effect shall be continued.

(2) Advance notice.—The Secretary shall, to the extent practicable, provide broad public notice in advance of any referendum. Any such notice shall be provided without advertising expenses by means of newspapers, county newsletters, the electronic media, and press releases, through the use of notices posted in State and county Extension Service offices and county Agricultural Stabilization and Conservation Service offices, and by other appropriate means specified in the order. Such notice shall include information on when the referendum will be held, registration and voting requirements, rules regarding absentee voting, and other pertinent facts.

(3) Approval of order.—Such order shall be continued only if the Secretary determines that the order has been approved by not less than a majority of the producers voting in the referendum.

(4) Disapproval of order.—If continuation of the order is not approved by a majority of those voting in the referendum, the Secretary shall terminate collection of assessments under the order within 6 months after the referendum and shall terminate the order in an orderly manner as soon as practicable.

(b) Additional Referenda.—

(1) In general.—

(A) Requirement.—After the initial referendum on an order, the Secretary shall conduct additional referenda, as described in subparagraph (C), if requested by a representative group of producers, as described in subparagraph (B).

(B) Representative group of producers.—An additional referendum on an order shall be conducted if requested by 10 percent or more of the producers who during a representative period have been engaged in the production of soybeans, of which group of requesting producers not in

excess of one-fifth may be producers in any one State, as determined by the Secretary.

(C) Eligible producers.—Each additional referendum shall be conducted among all producers who, during a representative period, as determined by the Secretary, have been engaged in the production of soybeans to determine whether such producers favor the termination or suspension of the order.

(2) Disapproval of order.—If the Secretary determines, in any referendum conducted under paragraph (1), that suspension or termination of the order is favored by a majority of the producers voting in the referendum, the Secretary shall suspend or terminate, as appropriate, collection of assessments under the order within 6 months after such determination and shall suspend or terminate the order, as appropriate, in an orderly manner as soon as practicable after such determination.

(3) Opportunity to request additional referenda.—

(A) In general.—To facilitate the periodic determination as to whether producers favor the conduct of an additional referendum under this subsection, the Secretary, 5 years after the conduct of a referendum under this Act and every 5 years thereafter, shall provide soybean producers an opportunity to request an additional referendum, as provided in this paragraph.

(B) Method of making request.—

(i) In-person requests.—To carry out subparagraph (A), the Secretary shall establish a procedure under which producers may request a reconfirmation referendum in person at county extension offices or county Agricultural Stabilization and Conservation Service offices during a period established by the Secretary, or as provided in clause (ii).

(ii) Mail-in requests.—In lieu of making such requests in person, producers may make requests by mail. Mail-in requests shall be postmarked no later than the end of the period established under clause (i) for in-person requests. To facilitate such submission of requests by mail, the Secretary may make mail-in request forms available to producers.

(C) Notifications.—The Secretary shall publish a notice in the Federal Register, and the Board shall provide written notification to producers, not later than 60 days prior to the end of the period established under subparagraph (B)(i) for in-person requests, of the producers' opportunity to request the additional referendum. Such notifications shall explain the producers' rights to, and the procedure specified in this subsection for, the conduct of an additional referendum, the purpose of the referendum, and the date and method by which producers may act to request the additional referenda under this paragraph. The Secretary shall take such other actions as the Secretary determines are necessary to ensure that producers are made aware of the opportunity to request an additional referendum on the order.

(D) ACTION BY SECRETARY.—As soon as practicable following the submission of requests for a reconsideration referendum, the Secretary shall determine whether a sufficient number of producers have requested an additional referendum, and take other steps to conduct an additional referendum, as are required under paragraph (1).

(E) TIME LIMIT.—Any additional referendum requested under the procedures provided in this paragraph shall be conducted not later than 1 year after the Secretary determines that a representative group of producers, as described in paragraph (1)(B), have requested the conduct of such referendum.

(c) PROCEDURES.—

(1) REIMBURSEMENT OF SECRETARY.—The Secretary shall be reimbursed from assessments collected by the Board for any expenses incurred by the Secretary in connection with the conduct of any activity required under this section, except for the salaries of Government employees associated with the conduct of a referendum under subsections (a) and (b).

(2) DATE.—Each referendum shall be conducted for a reasonable period of time not to exceed 3 days, established by the Secretary, under a procedure whereby producers intending to vote in the referendum shall certify that they were engaged in the production of soybeans during the representative period and, at the same time, shall be provided an opportunity to vote in the referendum.

(3) PLACE.—Referenda shall be conducted at county extension offices and provision shall be made for absentee mail ballots to be provided on request. Absentee mail ballots shall be furnished by the Secretary on request made in person, by mail, or by telephone.

SEC. 1971. PETITION AND REVIEW.

(a) PETITION.—

(1) IN GENERAL.—A person subject to an order issued under this subtitle may file with the Secretary a petition—

(A) stating that the order, any provision of the order, or any obligation imposed in connection with the order is not established in accordance with law; and

(B) requesting a modification of the order or an exemption from the order.

(2) HEARINGS.—The petitioner shall be given the opportunity for a hearing on a petition filed under paragraph (1), in accordance with regulations issued by the Secretary.

(3) RULING.—After a hearing under paragraph (2), the Secretary shall make a ruling on the petition that is the subject of the hearing, which shall be final if such ruling is in accordance with applicable law.

(b) REVIEW.—

(1) COMMENCEMENT OF ACTION.—The district court of the United States in any district in which the person who is a petitioner under subsection (a) resides or carries on business shall have jurisdiction to review a ruling on the petition of such person under subsection (a), if a complaint for that purpose is

filed not later than 20 days after the date of the entry of a ruling by the Secretary under such subsection (a).

(2) PROCESS.—Service of process in a proceeding under paragraph (1) shall be conducted in accordance with the Federal Rules of Civil Procedure.

(3) REMANDS.—If the court determines, under paragraph (1), that a ruling issued under subsection (a)(3) is not in accordance with applicable law, the court shall remand the matter to the Secretary with directions either—

(A) to make such ruling as the court shall determine to be in accordance with law; or

(B) to take such further proceedings as, in the opinion of the court, the law requires.

(4) ENFORCEMENT.—The pendency of proceedings instituted under subsection (a) shall not impede, hinder, or delay the Attorney General or the Secretary from taking any action under section 1972.

SEC. 1972. ENFORCEMENT.

(a) JURISDICTION.—The district courts of the United States are vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, any order or regulation made or issued under this subtitle.

(b) REFERRAL TO ATTORNEY GENERAL.—A civil action authorized to be commenced under this section shall be referred to the Attorney General for appropriate action, except that the Secretary shall not be required to refer to the Attorney General a violation of this subtitle, if the Secretary believes that the administration and enforcement of this subtitle would be adequately served by providing a suitable written notice or warning to the person who committed such violation or by administrative action under section 1971.

(c) CIVIL PENALTIES AND ORDERS.—

(1) CIVIL PENALTIES.—Any person who willfully violates any provision of any order or regulation issued by the Secretary under this subtitle, or who fails or refuses to pay, collect, or remit any assessment or fee duly required of the person under the order or regulations, may be assessed—

(A) a civil penalty by the Secretary of not more than $1,000 for each such violation; and

(B) in the case of a willful failure to pay, collect, or remit an assessment as required by the order or regulation, an additional penalty equal to the amount of such assessment.

Each violation shall be a separate offense.

(2) CEASE-AND-DESIST ORDERS.—In addition to, or in lieu of, a civil penalty under paragraph (1), the Secretary may issue an order requiring a person to cease and desist from continuing any such violation.

(3) NOTICE AND HEARING.—No penalty shall be assessed or cease-and-desist order issued by the Secretary under this subsection unless the person against whom the penalty is assessed or the order is issued is given notice and opportunity for a hearing before the Secretary with respect to such violation.

(4) FINALITY.—The order of the Secretary assessing a penalty or imposing a cease-and-desist order under this subsection shall

be final and conclusive unless the affected person files an appeal of the Secretary's order with the appropriate district court of the United States in accordance with subsection (d).

(d) Review by District Court.—

(1) Commencement of action.—Any person who has been determined to be in violation of this subtitle, or against whom a civil penalty has been assessed or a cease-and-desist order issued under subsection (c), may obtain review of the penalty or order by—

(A) filing, within the 30-day period beginning on the date the penalty is assessed or order issued, a notice of appeal in—

(i) the district court of the United States for the district in which the person resides or conducts business; or

(ii) the United States District Court for the District of Columbia; and

(B) simultaneously sending a copy of the notice by certified mail to the Secretary.

(2) Record.—The Secretary shall file promptly in the appropriate court referred to in paragraph (1), a certified copy of the record on which the Secretary has determined that the person had committed a violation.

(3) Standard of review.—A finding of the Secretary under this section shall be set aside only if such finding is found to be unsupported by substantial evidence.

(e) Failure To Obey Orders.—Any person who fails to obey a cease-and-desist order issued under this section after such order has become final and unappealable, or after the appropriate United States district court has entered a final judgment in favor of the Secretary, shall be subject to a civil penalty assessed by the Secretary, after opportunity for a hearing and for judicial review under the procedures specified in subsections (c) and (d), of not more than $5,000 for each offense. Each day during which such failure continues shall be considered as a separate violation of such order.

(f) Failure To Pay Penalties.—If any person fails to pay an assessment of a civil penalty under this section after it has become a final and unappealable order, or after the appropriate United States district court has entered final judgment in favor of the Secretary, the Secretary shall refer the matter to the Attorney General for recovery of the amount assessed in the district court in which the person resides or conducts business. In such action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

(g) Additional Remedies.—The remedies provided in this subtitle shall be in addition to, and not exclusive of, other remedies that may be available.

SEC. 1973. INVESTIGATIONS AND POWER TO SUBPOENA.

(a) Investigations.—The Secretary may make such investigations as the Secretary considers necessary—

(1) for the effective administration of this subtitle; and

(2) to determine whether any person has engaged or is engaging in any act that constitutes a violation of this subtitle, or any order, rule, or regulation issued under this subtitle.

(b) SUBPOENAS, OATHS, AND AFFIRMATIONS.—

(1) IN GENERAL.—For the purpose of an investigation under subsection (a), the Secretary may administer oaths and affirmations, and issue a subpoena to require the production of any records that are relevant to the inquiry. The production of any such records may be required from any place in the United States.

(2) ADMINISTRATIVE HEARINGS.—For the purpose of an administrative hearing held under section 1971 or 1972, the presiding officer is authorized to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any records that are relevant to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States.

(c) AID OF COURTS.—In the case of contumacy by, or refusal to obey a subpoena issued to, any person, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in order to enforce a subpoena issued by the Secretary under subsection (b). The court may issue an order requiring such person to comply with such a subpoena.

(d) CONTEMPT.—Any failure to obey an order of the court under this section may be punished by such court as a contempt thereof.

(e) PROCESS.—Process in any such case may be served in the judicial district in which such person resides or conducts business or wherever such person may be found.

(f) HEARING SITE.—The site of any hearings held under section 1971 or 1972 shall be within the judicial district where such person resides or has a principal place of business.

SEC. 1974. ADMINISTRATIVE PROVISIONS.

(a) CONSTRUCTION.—Except as provided in subsection (b), nothing in this subtitle may be construed to—

(1) preempt or supersede any other program relating to soybean promotion, research, consumer information, or industry information organized and operated under the laws of the United States or any State; or

(2) authorize the withholding of any information from Congress.

(b) STATE LAWS.—

(1) REFERENDA ON QUALIFIED STATE SOYBEAN BOARDS.—To ensure the proper administration of this subtitle, no State may conduct a referendum relating to the continuation or termination of a qualified State soybean board or State soybean assessment—

(A) during the period beginning on the date an order is issued under section 1968 and ending 18 months after the referendum on such order is conducted under section 1970(a); or

(B) if such order is approved under the referendum conducted under section 1970(a) by a majority of producers voting in such State, such State law shall be suspended for an additional 36 months.

(2) EXCEPTION.—Paragraph (1) shall not be construed to apply to—

(A) a State referendum concerning the approval of modifications to a State soybean promotion program that does not involve termination of the qualified State soybean board or State soybean assessment; and

(B) any State referendum regarding a State soybean promotion program that is originated by soybean producers.

(3) ASSESSMENTS COLLECTED BY QUALIFIED STATE SOYBEAN BOARDS.—To ensure adequate funding of the operations of qualified State soybean boards under this subtitle, whenever an order is in effect under this subtitle, no State law or regulation that limits the rate of assessment that the qualified State soybean board in that State may collect from producers on soybeans produced in such State, or that has the effect of limiting such rate, may be applied to prohibit such State board from collecting, and expending for authorized purposes, assessments from producers of up to the full amount of the credit authorized for producer contributions to qualified State soybean boards under section 1969(k)(4).

(b) AMENDMENTS TO ORDERS.—The provisions of this subtitle applicable to orders shall be applicable to amendments to orders.

SEC. 1975. SUSPENSION OR TERMINATION OF ORDERS.

The Secretary shall, whenever the Secretary finds that the order or any provision of the order obstructs or does not tend to effectuate the declared policy of this subtitle, terminate or suspend the operation of such order or provision. The termination or suspension of any order, or any provision thereof, shall not be considered an order within the meaning of this subtitle.

SEC. 1976. AUTHORIZATION OF APPROPRIATIONS; REGULATIONS.

(a) IN GENERAL.—There are authorized to be appropriated for each fiscal year such funds as are necessary to carry out this subtitle.

(b) ADMINISTRATIVE EXPENSES.—Funds appropriated under subsection (a) shall not be available for payment of the expenses or expenditures of the Board or the Committee in administering any provision of any order issued under this subtitle.

(c) REGULATIONS.—The Secretary may issue such regulations as are necessary to carry out this subtitle, including regulations relating to the assessment of late payment charges.

Subtitle F—Honey and Wool

CHAPTER 1—HONEY

SEC. 1981. SHORT TITLE.

This chapter may be cited as the "Honey Research, Promotion, and Consumer Information Act Amendments of 1990".

SEC. 1982. DEFINITIONS.

Section 3 of the Honey Research, Promotion, and Consumer Information Act (7 U.S.C. 4602) is amended—

(1) in paragraph (8)—

(A) by striking "or who acts" and inserting "or acts"; and

(B) by inserting before the period at the end the following: "and who is listed in the import records as the importer of record for such honey or honey products"; and

(2) by adding at the end the following new paragraph:

"(18) The term 'exporter' means any person who exports honey or honey products from the United States.".

SEC. 1983. REQUIRED TERMS IN ORDERS.

Section 7 of the Honey Research, Promotion, and Consumer Information Act (7 U.S.C. 4606) is amended—

(1) in subsection (c)—

(A) by striking out subparagraph (C) of paragraph (2) and inserting the following new paragraph:

"(C) two members who are either importers or exporters, of which at least one shall be an importer, appointed from nominations submitted by the Committee from recommendations by industry organizations representing importer and exporter interests;";

(B) in the matter following paragraph (2)(E), by striking "nominate an alternate or alternates" and inserting "submit nominations for an alternate";

(C) at the end of paragraph (2), by adding the following sentence: "However, no producer-packer who, during any three of the preceding five years, purchased for resale more honey than such producer-packer produced shall be eligible for nomination or appointment to the Honey Board as a producer described in subparagraph (A) or as an alternate to such producer."; and

(D) in paragraph (4), inserting before the period at the end the following: "; except that if, as a result of the adjustment of the boundaries of the regions established under paragraph (2)(A), a producer member or alternate is no longer from the region from which such person was appointed, such member or alternate may serve out the term for which such person was appointed"; and

(2) by adding at the end the following new subsection:

"(k) Any patent on any product, copyright on any material, or any invention, product formulation or publication developed through the use of funds collected by the Honey Board shall be the property of the Honey Board. The funds generated from any such patent, copyright, invention, product formulation, or publication shall inure to the benefit of the Honey Board.".

SEC. 1984. ASSESSMENTS.

(a) Assessment Rate and Exemptions.—Section 7 of the Honey Research, Promotion, and Consumer Information Act (7 U.S.C. 4606) is further amended—

(1) in subsection (e)(1) by striking the second and third sentences and inserting the following: "The assessment rate shall

be $0.01 per pound, with payment to be made in the manner described in section 9."; and

(2) by striking paragraph (2) of subsection (e) and inserting the following new paragraph:

"(2)(A) Honey that is consumed at home by the producer or importer or donated by the producer or importer to a nonprofit, government, or other entity, as determined appropriate by the Secretary, rather than sold shall be exempt from assessment under the order, except that donated honey that later is sold in a commercial outlet by a donee or a donee's assignee shall be subject to assessment on such sale.

"(B)(i) A producer, producer-packer, or importer who produces or imports during any year less than 6,000 pounds of honey shall be eligible for an exemption in such year from paying an assessment on honey such person distributes directly through local retail outlets, as determined by the Secretary, during such year.

"(ii) In order to claim an exemption under this subparagraph, a person shall submit an application to the Honey Board stating the basis on which the person claims the exemption for such year.

"(iii) If, after a person claims an exemption from assessments for any year under this subparagraph, such person no longer meets the requirements of this subparagraph for an exemption, such person shall file a report with the Honey Board in the form and manner prescribed by the Board and pay an assessment on or before March 15 of the subsequent year on all honey produced or imported by such person during the year for which the person claimed the exemption.

"(3) If a producer, producer-packer, or importer does not pay any assessments under this Act due to the applicability to such person of the exemptions from assessments provided in paragraph (2), then such producer, producer-packer, or importer shall not be considered a producer or importer for purposes of voting in any referendum conducted under this Act during the period the person's exemption from all assessments is in effect.".

(b) COLLECTION OF ASSESSMENTS; REFUNDS.—Section 9 of the Honey Research, Promotion, and Consumer Information Act (7 U.S.C. 4608) is amended—

(1) in subsection (a), by striking "and (e)" and inserting "(e), and (i)";

(2) in subsection (d) to read as follows:

"(d) In any case in which a loan, or a loan deficiency payment is made with respect to honey under the honey price support loan program established under the Agricultural Act of 1949, or successor statute, the Secretary shall provide for the assessment to be deducted from the disbursement of any loan funds or from the loan deficiency payment made to the producer and for the amount of such assessment to be forwarded to the Honey Board. The Secretary shall provide for the producer to receive a statement of the amount of the assessment deducted from the loan funds or loan deficiency payment promptly after each occasion when an assessment is deducted from any such loan funds or payment under this subsection.";

(3) in subsection (f), by inserting after "assessments" the following: ", and persons receiving an exemption from assessments under section 7(e)(2),";

(4) in subsection (h)—

(A) by striking "Any" and inserting "(1)(A) Except as otherwise provided in paragraph (2), any";

(B) by striking "to importers" and inserting "an importer";

(C) by striking "from importers" and inserting "from such importer"; and

(D) by adding at the end the following:

"(B) A producer that has obtained a honey price support loan under the Agricultural Act of 1949, or successor statute, may obtain a refund if the producer has submitted to the Honey Board the statement received under subsection (d) of the amount of assessment deducted from the loan funds and has otherwise complied with this subsection, even though the loan with respect to which the assessment was collected may still be outstanding and final settlement has not been made.

"(2) With respect to the order in effect on the date of the enactment of this paragraph, following the referendum on such order required under section 13(b)(2), a producer or importer may obtain a refund of an assessment under such order as provided in paragraph (1) only if the Secretary determines that the proposal to terminate refunds under the order is defeated in such referendum."; and

(5) by inserting after subsection (h) the following new subsection:

"(i) If a first handler or the Secretary fails to collect an assessment from a producer under this section, the producer shall be responsible for the payment of the assessment to the Honey Board.".

SEC. 1985. FIRST RECONFIRMATION REFERENDUM.

(a) IN GENERAL.—Section 13(b) of the Honey Research, Promotion, and Consumer Information Act (7 U.S.C. 4612) is amended—

(1) by striking "Five" and inserting "(1) Except as otherwise provided in paragraph (2), five";

(2) by striking "continuation, termination," and inserting "termination"; and

(3) by adding at the end the following new paragraph:

"(2)(A) In lieu of the first referendum otherwise required to be conducted under paragraph (1) for the order in effect on the date of the enactment of this paragraph, the Secretary shall conduct a referendum to determine if honey producers and importers favor—

"(i) the continuation of the order; and

"(ii) termination of the authority for producers and importers to obtain a refund of assessments under section 9(h)(1).

The referendum shall be conducted at the time the first referendum otherwise required under paragraph (1) would have been conducted, except for the operation of this paragraph.

"(B)(i) The Secretary shall terminate such order at the end of the marketing year during which such referendum is conducted, if the Secretary determines that termination of the order is approved or favored by not less than a majority of the producers and importers voting in the referendum and that the producers and importers comprising this majority produce and import more than 50 percent of the volume of honey produced and imported by those voting in the referendum.

"(ii) If the Secretary determines that termination of the authority for producers and importers to receive refunds of assessments under section 9(h)(1) is favored or approved by a majority of the producers and importers voting in such referendum and that the producers and importers comprising this majority produce and import more than 50 percent of the volume of honey produced and imported by those voting in the referendum, then the Secretary shall amend such order as necessary to reflect the vote of producers and importers. Such amendment to the order shall become effective on the date it is issued, but in no case more than 180 days after the conduct of such referendum.".

(b) CONFORMING AMENDMENT.—Section 13(d) of the Honey Research, Promotion, and Consumer Information Act (7 U.S.C. 4612) is amended—

- *(1) by striking "such order" and inserting "an order";*
- *(2) by inserting "in which a referendum is conducted under subsection (b) or (c)" after "marketing year"; and*
- *(3) by striking "of the order".*

SEC. 1986. INVESTIGATIONS AND POWER TO SUBPOENA.

The Honey Research, Promotion, and Consumer Information Act is amended by inserting after section 11 (7 U.S.C. 4610) the following new section:

"SEC. 11A. INVESTIGATIONS AND POWER TO SUBPOENA.

"(a) IN GENERAL.—The Secretary may make such investigations as the Secretary determines necessary—

- *"(1) for the effective administration of this Act; or*
- *"(2) to determine whether a person has engaged or is engaging in any act or practice that constitutes a violation of any provision of this Act, or of any order, rule, or regulation issued under this Act.*

"(b) POWER TO SUBPOENA.—

"(1) INVESTIGATIONS.—For the purpose of an investigation made under subsection (a), the Secretary is authorized to administer oaths and affirmations and to issue a subpoena to require the production of any records that are relevant to the inquiry. The production of any such records may be required from any place in the United States.

"(2) ADMINISTRATIVE HEARINGS.—For the purpose of an administrative hearing held under section 10 or section 11, the presiding officer is authorized to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any records that are relevant to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States.

"(c) AID OF COURTS.—In case of contumacy by, or refusal to obey a subpoena issued to, any person, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in order to enforce a subpoena issued by the Secretary under subsection (b). The court may issue an order requiring such person to comply with such a subpoena.

"(d) Contempt.—Any failure to obey such order of the court may be punished by such court as a contempt thereof.

"(e) Process.—Process in any such case may be served in the judicial district in which such person resides or conducts business or wherever such person may be found.

"(f) Hearing Site.—The site of any hearings held under section 10 or 11 shall be within the judicial district where such person resides or has a principal place of business.".

SEC. 1987. CONFORMING AMENDMENT TO ORDER.

Notwithstanding any provision of the Honey Research, Promotion, and Consumer Information Act (7 U.S.C. 4601 et seq.), the Secretary of Agriculture, after notice and opportunity for public comment, shall issue an amendment to the order in effect under such Act on the date of the enactment of this Act to conform such order to the amendments made by this subtitle, which shall become effective on the date of the publication of such amendment to the order in the Federal Register without a referendum thereon (except for the referendum specifically provided for under section 1985). The Secretary shall issue such amendment to the order in final form not later than 150 days after the date of the enactment of this Act.

CHAPTER 2—WOOL

SEC. 1989. PROMOTION PROGRAM.

Section 708 of the National Wool Act of 1954 (7 U.S.C. 1787) is amended by striking "at least two-thirds" wherever it appears and inserting "a majority" and by striking "two-thirds" wherever it appears and inserting "a majority".

Subtitle G—Cotton

SEC. 1990. SHORT TITLE.

This subtitle may be cited as the "Cotton Research and Promotion Act Amendments of 1990".

SEC. 1991. FINDINGS AND DECLARATION OF POLICY.

Section 2 of the Cotton Research and Promotion Act (7 U.S.C. 2101) is amended by—

(1) in the second sentence inserting "and also outside the United States" before the period;

(2) in the third sentence by striking "in large part";

(3) striking the fourth and the sixth sentences of the first paragraph;

(4) striking "The great inroads on the market and uses for United States" and inserting "The great inroads on the market and uses for"; and

(5) in the third paragraph—

  (A) striking "harvested" and inserting "marketed"; and

  (B) inserting "and on imports of cotton" after "United States" the first time it appears.

SEC. 1992. REQUIRED TERMS IN ORDER; COTTON IMPORTS.

Section 7 of the Cotton Research and Promotion Act (7 U.S.C. 2106) is amended—

(1) in subsection (a)(2) by—

(A) striking "handler" and inserting "person"; and

(B) striking "producer";

(2) in subsection (b), in the first sentence, by—

(A) inserting "(1)" after "shall be composed of"; and

(B) striking the colon and all that follows through the end of the sentence and inserting the following: ", and (2) when imports of cotton are subject to an order, an appropriate number of representatives, as determined by the Secretary, of importers of cotton on which assessments are paid under this Act. Such importer representatives shall be appointed by the Secretary after consultation with organizations representing importers, as determined by the Secretary. Each cotton-producing State shall be entitled to at least one representative on the Cotton Board.";

(3) by amending subsection (e) to read as follows:

"(e)(1) Providing that—

"(A) the producer or other person for whom the cotton is being handled shall pay to the handler of such cotton designated by the Cotton Board pursuant to regulations issued under the order;

"(B) such handler shall collect from the producer or other person for whom the cotton, including cotton owned by the handler, is being handled, and shall pay to the Cotton Board; and

"(C) each importer shall pay to the Cotton Board on imports of cotton,

an assessment prescribed by the order, on the basis of bales of cotton handled or imported. The assessment shall cover such expenses and expenditures, including provision for a reasonable reserve, as the Secretary finds are reasonable and likely to be incurred by the Cotton Board under the order, during any period specified by the Secretary.

"(2) The order shall provide for reimbursing the Secretary—

"(A) for expenses not to exceed $300,000 incurred by the Secretary in connection with any referendum conducted under section 8; and

"(B) for administrative costs incurred by the Secretary for supervisory work up to 5 employee years after an order or amendment to an order has been issued and made effective.

There shall also be included in the order a provision for reimbursing any agency of the Federal Government that assists in administering the import provisions of the order for a reasonable amount of the expenses incurred by that agency in connection therewith.

"(3) To facilitate the collection and payment of such assessments, the Cotton Board may designate different handlers or importers or classes of handlers or importers to recognize differences in marketing practices or procedures utilized in any State or area, except that no more than one such assessment shall be made on any bale of cotton, unless specifically authorized by provisions of this subsection.

"(4) The rate of assessment prescribed by the order shall be $1 per bale of cotton handled, supplemented by an additional per bale amount not to exceed 1 percent of the value of cotton as determined by the Cotton Board and the Secretary. The rate of assessment on

imports of cotton shall be determined in the same manner as the rate of assessment per bale of cotton handled, and the value to be placed on cotton imports for the purpose of determining the assessment on such imports shall be established by the Secretary in a fair and equitable manner. The Secretary shall establish procedures to ensure that the upland cotton content of imported products is not subject to more than one assessment under this title.

"(5) No authority under this Act may be used as a basis to advertise or solicit votes in any referendum relating to the rate of assessment with funds collected under this Act.

"(6) The Secretary may maintain a suit against any person subject to the order for the collection of such assessment, and the several district courts of the United States are hereby vested with jurisdiction to entertain such suits regardless of the amount in controversy. The remedies provided in this section shall be in addition to, and not exclusive of, the remedies provided for elsewhere in this Act or now or hereafter existing at law or in equity.

"(7) The provisions of this subsection and subsection (b) shall not apply to cottonseed and the products derived from cottonseed whether domestically produced or imported.

"(8) The provisions of this subsection relating to importers and assessments on imports of cotton shall be effective only if approved in a referendum as provided in section 8(b) or 8(c).".

SEC. 1993. REQUIREMENTS FOR REFERENDA.

Section 8 of the Cotton Research and Promotion Act (7 U.S.C. 2100) is amended by—

(1) inserting "(a)" before "The Secretary"; and

(2) adding at the end the following new subsections:

"(b)(1) Notwithstanding the provisions of sections 4 and 5, not later than 150 days after the date of enactment of the Cotton Research and Promotion Act Amendments of 1990, and after notice and opportunity for public comment, the Secretary shall issue a proposed amendment to the order implementing the provisions of such Act, which shall become effective as provided in paragraph (2).

"(2) Notwithstanding the provisions of subsection (a), the Secretary shall, within a period not to exceed 8 months after the date of enactment of the Cotton Research and Promotion Act Amendments of 1990, conduct a referendum among persons who have been cotton producers during a representative period, as determined by the Secretary, and persons who are importers of cotton and who, during a 12-month period ending not later than 90 days prior to the conduct of the referendum under this section imported a quantity of cotton in excess of the de minimis quantity (if any) established by the Secretary under section 17C(2), for the purpose of ascertaining if a majority of those voting approve the proposed amendment to the order issued by the Secretary under paragraph (1). The Secretary shall announce the results of the referendum within 30 days after the date of such referendum. If the amendment is approved in the referendum, within a period not to exceed 90 days from the date of announcement of the results of such referendum, the Secretary shall publish the amendment to the order and regulations implementing the amendment provided for in this subsection.

"(c)(1) Notwithstanding the provisions of sections 4 and 5, once every five years after the date of the referendum provided for under subsection (b), the Secretary shall conduct a review to ascertain whether a referendum is needed to determine whether producers and importers favor continuation of the amendment to the order provided for in the Cotton Research and Promotion Act Amendments of 1990 if such amendment is then in effect or, if such an amendment is not in effect, whether they favor approval of such amendment. The Secretary shall make a public announcement of the results of the review within 60 days after each fifth anniversary date of the referendum provided for under subsection (b). If the Secretary determines to provide for such a referendum, the Secretary shall conduct the referendum within 12 months after a public announcement of the determination to conduct the referendum.

"(2) If the Secretary does not provide for such a referendum on the Secretary's own initiative, the Secretary shall conduct such a referendum upon the request of 10 percent or more of the number of cotton producers and importers voting in the most recent referendum, except that, in counting such requests for a referendum, not more than 20 percent of such requests may be from producers from any one State or importers of cotton. Producers and importers may sign up to request such a referendum at the county office of the Agricultural Stabilization and Conservation Service, or county extension agent, or by mailing such a request to the Secretary, as prescribed in regulations. The sign-up period shall be for a period not to exceed 90 days, shall commence 60 days after the Secretary makes a public announcement of a determination not to provide for a referendum on the Secretary's own initiative, and shall be publicized by the Secretary and the Cotton Board immediately after such public announcement. The referendum shall be held within 12 months after the end of the sign-up period, if requested by the requisite number of persons.

"(3) The amendment to the order provided for in this subsection shall not be effective if it is disapproved by a majority of cotton producers and importers of cotton voting in the referendum.".

SEC. 1994. SUSPENSION AND TERMINATION OF ORDERS.

Section 9(b) of the Cotton Research and Promotion Act (7 U.S.C. 2108(b)) is amended to read as follows:

"(b) The Secretary may conduct a referendum at any time, and shall hold a referendum on request of a number of producers and importers (if subject to the order) equivalent to at least 10 percent of those persons voting in the most recent referendum, to determine whether cotton producers and importers subject to the order favor the termination or suspension of the order, except that in counting such requests for a referendum, not more than 20 percent of such requests may be from producers from any one State or importers of cotton (if subject to the order). The Secretary shall suspend or terminate the order at the end of the marketing year, as defined in the order, whenever the Secretary determines suspension or termination of the order is approved by a majority of producers and importers (subject to the order) voting in the referendum who, during a representative period determined by the Secretary, have been engaged in the production and importation of cotton and who produced and

imported more than 50 percent of the volume of cotton produced and imported by those voting in the referendum.".

SEC. 1995. AMENDMENTS TO THE ORDER.

Section 10 of the Cotton Research and Promotion Act (7 U.S.C. 2109) is amended to read as follows:

"PROVISIONS APPLICABLE TO AMENDMENTS

"SEC. 10. (a) Except as provided in subsection (b), the provisions of this Act applicable to orders shall be applicable to amendments to orders.

"(b) No amendment to an order issued under this Act shall be effective unless the Secretary determines that—

"(1) with respect to an amendment referred to in section 8(b) or (8)(c), the amendment is approved by producers and importers of cotton as provided in such section; or

"(2) with respect to any other amendment, that the amendment is approved by a majority of cotton producers and importers subject to the order voting in the referendum.

"(c) The disapproval of any amendment to an order issued under this Act shall not be deemed to invalidate such order.".

SEC. 1996. PRODUCER REFUNDS.

Section 11 of the Cotton Research and Promotion Act (7 U.S.C. 2110) is amended by—

(1) striking "Notwithstanding any other provision" and inserting "(a) Notwithstanding any other section and except as provided in subsection (b),"; and

(2) adding at the end the following new subsection:

"(b) The right of a producer to demand a refund under subsection (a) shall terminate if the proposed amendment of the order implementing the Cotton Research and Promotion Amendments Act of 1990 is approved in the referendum provided for under section 8. Such right shall terminate 30 days after the date the Secretary announces the results of such referendum if such proposed amendment is approved. Such right shall be reinstated if the amendment should be disapproved in any subsequent referendum.".

SEC. 1997. DEFINITIONS.

Section 17 of the Cotton Research and Promotion Act (7 U.S.C. 2116) is amended—

(1) in subsection (c)—

(A) by inserting "(1)" after "means"; and

(B) by striking "its seed." and inserting the following: "its seed and (2) imports of upland cotton including the upland cotton content of the products derived from upland cotton (other than industrial products as defined by the Secretary). The term 'cotton' shall not, however, include any entry of imported cotton by an importer that has a value or weight less than any de minimis figure as established in accordance with regulations issued by the Secretary. Any de minimis figure as established under this paragraph shall be such as to minimize the burden in administering the assessment provision but still provide for the maximum par-

ticipation of imports of cotton in the assessment provisions of this Act.";

(2) in subsection (d), by inserting after "cottonseed" the following:

"or, for the purposes of sections 3, 6(c), and 13, any person who imports cotton, including de minimis amounts of cotton described in subsection (c),"; and

(3) by adding at the end a new subsection to read as follows:

"(h)(1) The term 'importer' means any person who enters, or withdraws from warehouse, cotton for consumption in the customs territory of the United States.

"(2) The term 'import' means any such entry.".

SEC. 1998. REPORTS.

(a) IN GENERAL.—Not later than 1 year after the date on which imports are subject to assessments under this title—

(1) the Secretary of Agriculture shall prepare a report concerning the implementation and enforcement of the cotton research and promotion program, and any problems that may have arisen in the implementation and enforcement of such program; and

(2) the Customs Service shall, if on such date it has any role in the implementation or enforcement of such assessments, prepare a report concerning such implementation and enforcement as it relates to imports.

(b) COMPTROLLER GENERAL REPORT.—Not prior to the date that occurs 3 years after the date on which imports are subject to assessments under this title, the Comptroller General shall prepare a report concerning the administration of the cotton research and promotion program as it relates to such imports. Such report shall be submitted not later than 6 months after such date, and include an analysis of—

(1) the growth in the United States market for cotton and cotton products, with particular attention provided to the period of time subsequent to the imposition of assessments on such imports;

(2) the extent to which import restrictions, such as quotas, on imports of cotton and cotton-containing products have permitted or prevented importers from benefiting from any such growth in the United States market; and

(3) the relevant United States international obligations applicable under trade agreements that relate to the assessments on imports of cotton and cotton products under this title.

(c) SUBMISSION.—The reports required under subsections (a) and (b) shall be submitted to the Committee on Agriculture and the Committee on Ways and Means of the House of Representatives, and the Committee on Agriculture, Nutrition and Forestry and the Committee on Finance of the Senate not later than the applicable dates referred to in such subsections.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such funds as may be necessary to carry out this section.

Subtitle H—Processor-Funded Milk Promotion Program

SEC. 1999A. SHORT TITLE.

This subtitle may be cited as the "Fluid Milk Promotion Act of 1990".

SEC. 1999B. FINDINGS AND DECLARATION OF POLICY.

(a) FINDINGS.—Congress finds that—

(1) fluid milk products are basic foods and are a primary source of required nutrients such as calcium, and otherwise are a valuable part of the human diet;

(2) fluid milk products must be readily available and marketed efficiently to ensure that the people of the United States receive adequate nourishment;

(3) the dairy industry plays a significant role in the economy of the United States, in that milk is produced by thousands of milk producers and dairy products (including fluid milk products) are consumed every day by millions of people in the United States;

(4) the processing of milk into fluid milk products and the marketing of such products are important to the dairy industry because the fluid milk segment of the dairy market contributes substantially to ensuring that the prices paid to milk producers for raw milk are stable and adequate to maintain the overall strength of the dairy industry;

(5) the maintenance and expansion of markets for fluid milk products are vital to the Nation's fluid milk processors and milk producers, as well as to the general economy of the United States;

(6) the cooperative development, financing, and implementation of a coordinated program of advertising and promotion of fluid milk products is necessary to maintain and expand markets for fluid milk products;

(7) it is appropriate to finance the cooperative program described in paragraph (6) with self-help assessments paid by the fluid milk processors; and

(8) fluid milk products move in interstate and foreign commerce, and fluid milk products that do not move in such channels of commerce directly burden or affect interstate commerce in fluid milk products.

(b) POLICY.—It is declared to be the policy of Congress that it is in the public interest to authorize the establishment, through the exercise of the powers provided in this subtitle, of an orderly procedure for developing, financing (through adequate assessments on fluid milk products produced in the United States) and carrying out an effective and coordinated program of advertising designed to strengthen the position of the dairy industry in the marketplace and to maintain and expand markets and uses for fluid milk products produced in the United States. Nothing in this subtitle shall be construed to provide for the control of production or otherwise limit the right of individual milk producers to produce milk.

SEC. 1999C. DEFINITIONS.

As used in this subtitle:

(1) ADVERTISING.—The term "advertising" means any advertising or promotion program involving only fluid milk products and directed toward increasing the general demand for fluid milk products.

(2) BOARD.—The term "Board" means the National Processor Advertising and Promotion Board established under section 1999H(b).

(3) FLUID MILK PRODUCT.—The term "fluid milk product"—

(A) means any of the following products in fluid or frozen form: milk, skim milk, lowfat milk, milk drinks, buttermilk, filled milk, and milkshake and ice milk mixes containing less than 20 percent total solids, including any such products that are flavored, cultured, modified with added nonfat milk solids, concentrated (if in a consumer-type package), or reconstituted; and

(B) does not include evaporated or condensed milk (plain or sweetened), evaporated or condensed skim milk (plain or sweetened), formulas specially prepared for infant feeding or dietary use that are packaged in hermetically sealed glass or all-metal containers, any product that contains by weight less than 6.5 percent nonfat milk solids, and whey.

(4) FLUID MILK PROCESSOR.—The term "fluid milk processor" means any person who processes and markets commercially fluid milk products in consumer-type packages.

(5) DEPARTMENT.—The term "Department" means the Department of Agriculture.

(6) RESEARCH.—The term "research"—

(A) means market research limited to the support of advertising and promotion efforts, including educational activities; and

(B) does not include research directed to product characteristics such as nutrients; product development including new products; or improved technology in production, manufacturing or processing; or any other efforts not directly applicable to measuring or increasing the effectiveness of advertising activities in expanding sales of fluid milk products.

(7) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(8) UNITED STATES.—The term "United States", except as used in sections 1999K through 1999M, means the 48 contiguous States in the continental United States and the District of Columbia.

SEC. 1999D. AUTHORITY TO ISSUE ORDERS.

(a) IN GENERAL.—To effectuate the declared policy under section 1999B(b), the Secretary shall issue and from time to time may amend, orders applicable to all fluid milk processors, authorizing—

(1) the collection of assessments on fluid milk products subject to this subtitle; and

(2) the use of the assessments to provide research and advertising in a manner prescribed by this subtitle.

(b) Scope.—Any order issued under this subtitle shall be national in scope.

(c) One Order.—Not more than one order shall be in effect under this subtitle at any one time.

SEC. 1999E. NOTICE AND COMMENT.

Not later than 60 days after the Secretary receives a request for the issuance of an order under this subtitle, and a specific proposal for an order from individual fluid milk processors that marketed during a representative period, as determined by the Secretary, not less than 30 percent of the volume of fluid milk products marketed by all processors, the Secretary shall publish the proposed order and give due notice and opportunity for public comment on the proposed order.

SEC. 1999F. FINDINGS AND ISSUANCE OF ORDERS.

(a) In General.—After notice and opportunity for public comment are given, as provided in section 1999E, the Secretary shall issue an order, taking into consideration the comments received and including in the order provisions necessary to ensure that the order is in conformity with the requirements and the declared policy of this subtitle.

(b) Effective Date.—Such order shall be issued and, if approved by fluid milk processors as provided in section 1999N, shall become effective not later than 180 days following publication of the proposed order.

SEC. 1999G. REGULATIONS.

The Secretary may issue such regulations as may be necessary to carry out this subtitle and the powers vested in the Secretary by his subtitle.

SEC. 1999H. REQUIRED TERMS IN ORDERS.

(a) In General.—Each order issued under this subtitle shall contain the terms and conditions prescribed in this section.

(b) National Processor Advertising and Promotion Board.—

(1) Establishment.—The order shall establish a National Processor Advertising and Promotion Board to administer the order.

(2) Service to the entire industry.—In administering the order, the Board shall carry out programs and projects that will provide maximum benefit to the fluid milk industry and promote only fluid milk products. The Board shall, to the extent practicable, ensure that advertising coverage in each region is proportionate to the funds collected from each region.

(3) Regions.—The Secretary shall establish not less than 12 nor more than 15 regions in order to ensure appropriate geographic representation on the Board.

(4) Board membership.—The Board shall consist of one member appointed by the Secretary, from among fluid milk processors, to represent each of the regions established under paragraph (3), with the membership representing, to the extent practicable, differing sizes of operations. The Secretary shall appoint five additional at-large members to the Board, of which at least three shall be fluid milk processors and at least one shall be from the general public.

(5) Terms of office.—The members of the Board shall serve for terms of 3 years, except that the members appointed to the initial Board shall serve, proportionately, for terms of 1, 2, and 3 years, as determined by the Secretary. No member shall serve for more than 2 consecutive terms, except that the members that are selected to serve for the initial term of 1 or 2 years shall be eligible to be reappointed for a 3-year term.

(6) Compensation.—Each member of the Board shall serve without compensation, but shall be reimbursed for necessary and reasonable expenses incurred in the performance of duties of the Board.

(c) Powers and Duties of the Board.—The order shall define the powers and duties of the Board, which shall include the power and duty—

(1) to administer the order in accordance with the terms and conditions of the order;

(2) to make rules to effectuate the terms and conditions of the order;

(3) to receive, investigate, and report to the Secretary complaints of violations of the order;

(4) to develop and recommend such rules, regulations, and amendments to the order to the Secretary for approval as may be necessary for the development and execution of programs or projects to carry out the order;

(5) to employ such persons as the Board considers necessary and determine the compensation and define the duties of the persons;

(6) to prepare and submit for the approval of the Secretary, prior to the beginning of each fiscal year, a fiscal year budget of the anticipated expenses in the administration of the order, including the probable costs of all programs and projects;

(7) to develop programs and projects, subject to subsection (d);

(8) to enter into contracts or agreements, with the approval of the Secretary, to develop and carry out programs or projects of research and advertising;

(9) to carry out advertising or research, and pay the costs of the projects with funds collected pursuant to section 1999J;

(10) to keep minutes, books, and records that reflect all of the acts and transactions of the Board, and promptly report minutes of each Board meeting to the Secretary;

(11) to furnish the Secretary with such other information as the Secretary may require; and

(12) to invest funds collected by the Board pursuant to subsection (g).

(d) Plans and Budgets.—

(1) Budgets.—The order shall require the Board, prior to the beginning of each fiscal year, or as may be necessary after the beginning of the fiscal year, to develop budgets of the anticipated expenses and disbursements of the Board in the implementation of the order, including projected costs of research and advertising. The budget shall be submitted to the Secretary and be effective on the approval of the Secretary.

(2) Incurring expenses.—The Board may incur such expenses for research or advertising of fluid milk products, and

other expenses for the administration, maintenance, and functioning of the Board, as may be authorized by the Secretary. The expenses shall include any implementation, administrative, and referendum costs incurred by the Department.

(3) Paying expenses.—The funds to cover the expenses referred to in paragraph (2) shall be paid from assessments collected under section 1999J.

(4) Limitation on spending.—Effective 1 year after the date of the establishment of the Board, the Board shall not spend in excess of 5 percent of the assessments collected for the administration of the Board.

(e) Prohibition on Branded Advertising.—A program or project conducted under this subtitle shall not make any reference to private brand names or use false or unwarranted claims on behalf of fluid milk products, or false or unwarranted statements with respect to the attributes or use of any competing products, except that this subsection shall not preclude the Board from offering its programs and projects for use by commercial parties, under such terms and conditions as the Board may prescribe as approved by the Secretary.

(f) Contracts and Agreements.—

(1) In general.—To ensure efficient use of funds collected under this subtitle, the order shall provide that the Board may enter into contracts or agreements for the implementation and carrying out of programs or projects for fluid milk products research and advertising and for the payment of the costs of the programs or projects with funds received by the Board under the order.

(2) Requirements.—Any such contract or agreement shall provide that—

(A) the contracting party shall develop and submit to the Board a program or project, together with a budget or budgets that shall disclose estimated costs to be incurred for such program or project;

(B) the program or project shall become effective on the approval of the Secretary; and

(C) the contracting party shall keep accurate records of all of the transactions of the contracting party, account for funds received and expended, make periodic reports to the Board of activities conducted, and make such other reports as the Board or the Secretary may require.

(g) Investment of Funds.—

(1) In general.—The order shall provide that the Board, with the approval of the Secretary, may invest assessment funds collected by the Board under the order, pending disbursement of the funds, only in—

(A) obligations of the United States or any agency thereof;

(B) general obligations of any State or any political subdivision thereof;

(C) any interest-bearing account or certificate of deposit of a bank that is a member of the Federal Reserve System; or

(D) obligations fully guaranteed as to principal and interest by the United States.

(2) Income.—Income from any such investment may be used for any purpose for which the invested funds may be used.

(h) Books and Records of Board.—

(1) In general.—The order shall require the Board to—

(A) maintain such books and records (which shall be available to the Secretary for inspection and audit) as the Secretary may prescribe;

(B) prepare and submit to the Secretary, from time to time, such reports as the Secretary may prescribe; and

(C) account for the receipt and disbursement of all funds entrusted to the Board.

(2) Audits.—The Board shall cause the books and records of the Board to be audited by an independent auditor at the end of each fiscal year. A report of each such audit shall be submitted to the Secretary.

(i) Books and Records of Processors.—

(1) In general.—The order shall require that each fluid milk processor subject to this subtitle maintain and make available for inspection such books and records as may be required by the order and file reports at the time, in the manner, and having the content prescribed by the order.

(2) Use of information.—Information obtained under paragraph (1) shall be made available to the Secretary as is appropriate for the effectuation, administration, or enforcement of this subtitle, or any order or regulation issued under this subtitle.

(3) Confidentiality.—

(A) In general.—Except as provided in subparagraphs (B) and (C), commercial or financial information that is obtained under paragraph (1) or (2) and that is privileged or confidential shall be kept confidential by all officers and employees of the Department and agents of the Board, and only such information so obtained as the Secretary considers relevant may be disclosed to the public by them and then only in a suit or administrative hearing brought at the request of the Secretary, or to which the Secretary or any officer of the United States is a party, and involving the order.

(B) Availability of information.—Except as otherwise provided in this subtitle, information obtained under this subtitle may be made available to another agency of the Federal Government for a civil or criminal law enforcement activity if the activity is authorized by law and if the head of the agency has made a written request to the Secretary specifying the particular information desired and the law enforcement activity for which the information is sought.

(C) Other exceptions.—Nothing in subparagraph (A) may be construed to prohibit—

(i) the issuance of general statements, based on the reports, of the number of persons subject to an order or statistical data collected from the persons, which statements do not identify the information furnished by any person; or

(ii) the publication, by direction of the Secretary, of the name of any person violating any order, together with a statement of the particular provisions of the order violated by the person.

(4) PENALTY.—Any person violating this subsection, on conviction, shall be subject to a fine of not more than $1,000 or to imprisonment for not more than 1 year, or both, and if such person is an agent of the Board or an officer or employee of the Department, shall be removed from office.

(5) WITHHOLDING INFORMATION.—Nothing in this subsection shall authorize the Secretary to withhold information from a duly authorized committee or subcommittee of Congress.

(6) TIME REQUIREMENT.—The records required under paragraph (1) shall be maintained for 2 years beyond the fiscal year of the applicability of the records.

(j) PROHIBITION ON USE OF FUNDS TO INFLUENCE GOVERNMENTAL ACTION.—

(1) IN GENERAL.—Except as otherwise provided in paragraph (2), the order shall prohibit any funds collected by the Board under the order from being used in any manner for the purpose of influencing legislation or government action or policy.

(2) EXCEPTION.—Paragraph (1) shall not apply to the development or recommendation of amendments to the order.

(k) COORDINATION.—The order shall require the Board to take reasonable steps to coordinate the collection of assessments, and advertising and research activities of the Board with the National Dairy Promotion and Research Board established under section 113(b) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(b)).

(l) EXEMPTIONS.—The order shall exempt fluid milk products exported from the United States from assessments under the order.

(m) REPORT.—The Secretary shall provide annually for an independent evaluation of the effectiveness of the fluid milk promotion program carried out under this subtitle during the previous fiscal year, in conjunction with the evaluation of the National Dairy Promotion and Research Board established under section 113(b) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(b)).

(n) OTHER TERMS AND CONDITIONS.—The order also shall contain such terms and conditions, not inconsistent with this subtitle, as are necessary to effectuate this subtitle, including regulations relating to the assessment of late payment charges.

SEC. 1999I. PERMISSIVE TERMS.

(a) IN GENERAL.—Each order issued under this subtitle may contain one or more of the terms and conditions described in this section.

(b) ADVERTISING.—The order may provide for the establishment, issuance, effectuation, and administration of appropriate programs or projects for the advertising of fluid milk products and the use of funds collected under this subtitle for such programs or projects.

(c) RESEARCH AND DEVELOPMENT.—The order may provide for establishing and carrying out research projects and studies to support the advertising efforts for fluid milk products, and the use of funds collected under the order for such projects and studies.

(d) RESERVE FUNDS.—The order may provide authority to accumulate reserve funds from assessments collected pursuant to the order, to permit an effective and continuous coordinated program of research and advertising in years when the assessment income may be reduced, except that the total reserve fund may not exceed 25 percent of the amount budgeted for the operation in the current fiscal year of the order.

(e) OTHER TERMS.—The order may contain such other terms and conditions incidental to and not inconsistent with the terms and conditions specified in this subtitle as are necessary to effectuate the other provisions of the order.

SEC. 1999J. ASSESSMENTS.

(a) IN GENERAL.—The order shall provide that each fluid milk processor shall pay an assessment on each unit of fluid milk product that such person processes and markets commercially in consumer-type packages in the United States.

(b) NO EFFECT ON PRODUCER PRICES.—Such assessments shall not—

(1) reduce the prices paid under the Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937;

(2) otherwise be deducted from the amounts that handlers must pay to producers for fluid milk products sold to a processor; or

(3) otherwise be deducted from the price of milk paid to a producer by a handler, as determined by the Secretary.

(c) REMITTING ASSESSMENTS.—

(1) IN GENERAL.—Assessments required under subsection (a) shall be remitted by the fluid milk processor directly to the Board in accordance with the order and regulations issued by the Secretary.

(2) TIMES TO REMIT ASSESSMENT.—Each processor who is responsible for the remittance of an assessment under paragraph (1) shall remit the assessment to the Board not later than the last day of the month following the month that the milk being assessed was marketed.

(3) VERIFICATION.—Remittances shall be verified by market administrators and State regulatory officials, and local and State Agricultural Stabilization and Conservation Service offices, as provided by the Secretary.

(d) LIMITATION ON ASSESSMENTS.—Not more than one assessment may be assessed under this section for the purposes of this subtitle on a processor for any unit of fluid milk product.

(e) PRODUCER-HANDLERS.—Producer-handlers that are required to pay the assessment imposed under section 113(g) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(g)) shall also be responsible for the additional assessment imposed by this section.

(f) PROCESSOR ASSESSMENT RATE.—Except as provided in section 1999P(b), the rate of assessment prescribed by the order shall be 20 cents per hundredweight of fluid milk products marketed.

SEC. 1999K. PETITION AND REVIEW.

(a) PETITION.—

(1) In general.—A person subject to an order issued under this subtitle may file with the Secretary a petition—

(A) stating that the order, any provision of the order, or any obligation imposed in connection with the order is not established in accordance with law; and

(B) requesting a modification of the order or an exemption from the order.

(2) Hearings.—The petitioner shall be given the opportunity for a hearing on the petition, in accordance with regulations issued by the Secretary.

(3) Ruling.—After the hearing, the Secretary shall make a ruling on the petition, which shall be final if in accordance with law.

(b) Review.—

(1) Commencement of action.—The district courts of the United States in any district in which the person who is a petitioner under subsection (a) resides or carries on business are hereby vested with jurisdiction to review the ruling on such person's petition, if a complaint for that purpose is filed within 20 days after the date of the entry of a ruling by the Secretary under subsection (a).

(2) Process.—Service of process in such proceedings shall be conducted in accordance with the Federal Rules of Civil Procedure.

(3) Remands.—If the court determines that such ruling is not in accordance with law, the court shall remand the matter to the Secretary with directions either—

(A) to make such ruling as the court shall determine to be in accordance with law; or

(B) to take such further proceedings as, in the opinion of the court, the law requires.

SEC. 1999L. ENFORCEMENT.

(a) Jurisdiction.—The several district courts of the United States are vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, any order or regulation made or issued under this subtitle.

(b) Referral to Attorney General.—A civil action authorized to be brought under this subsection shall be referred to the Attorney General for appropriate action, except that the Secretary is not required to refer to the Attorney General a violation of this subtitle, or any order or regulation issued under this subtitle, if the Secretary believes that the administration and enforcement of this subtitle would be adequately served by providing a suitable written notice or warning to the person who committed such violation or by administrative action under subsection (c).

(c) Civil Penalties and Orders.—

(1) Civil penalties.—Any person who violates any provision of any order or regulation issued by the Secretary under this subtitle, or who fails or refuses to pay, collect, or remit any assessment or fee duly required of the person under the order or regulations, may be assessed—

(A) a civil penalty by the Secretary of not less than $500 nor more than $5,000 for each such violation; or

(B) in the case of a willful failure or refusal to pay, collect, or remit any assessment or fee duly required of the person under this subtitle or a regulation issued under this subtitle, a civil penalty by the Secretary of not less than $10,000 nor more than $100,000 for each such violation.

Each violation shall be a separate offense.

(2) CEASE-AND-DESIST ORDERS.—In addition to, or in lieu of, a civil penalty, the Secretary may issue an order requiring the person to cease and desist from continuing such violation.

(3) NOTICE AND HEARING.—No penalty shall be assessed or cease-and-desist order issued by the Secretary unless the person against whom the penalty is assessed or the order issued is given notice and opportunity for a hearing before the Secretary with respect to such violation.

(4) FINALITY.—The order of the Secretary assessing a penalty or imposing a cease-and-desist order shall be final and conclusive unless the affected person files an appeal from the Secretary's order with the appropriate district court of the United States in accordance with subsection (d).

(d) REVIEW BY DISTRICT COURT.—

(1) COMMENCEMENT OF ACTION.—Any person against whom a violation is found and a civil penalty assessed or cease-and-desist order issued under subsection (c) may obtain review of the penalty or order by—

(A) filing, within the 30-day period beginning on the date the penalty is assessed or order issued, a notice of appeal in—

(i) the district court of the United States for the district in which the person resides or carries on business; or

(ii) the United States District Court for the District of Columbia; and

(B) simultaneously sending a copy of the notice by certified mail to the Secretary.

(2) RECORD.—The Secretary shall file promptly in such court a certified copy of the record on which the Secretary found that the person had committed a violation.

(3) STANDARD OF REVIEW.—A finding of the Secretary shall be set aside only if the finding is found to be unsupported by substantial evidence.

(e) FAILURE TO OBEY ORDERS.—Any person who fails to obey a cease-and-desist order after the order has become final and unappealable, or after the appropriate United States district court has entered a final judgment in favor of the Secretary, shall be subject to a civil penalty assessed by the Secretary, after opportunity for a hearing and for judicial review under the procedures specified in subsections (c) and (d), of not more than $5,000 for each offense. Each day during which the failure continues shall be considered as a separate violation of such order.

(f) FAILURE TO PAY PENALTIES.—If any person fails to pay an assessment of a civil penalty after it has become a final and unappealable order, or after the appropriate United States district court has entered final judgment in favor of the Secretary, the Secretary shall refer the matter to the Attorney General for recovery of the amount

assessed in the district court in which the person resides or conducts business. In the action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

(g) Additional Remedies.—The remedies provided in this subtitle shall be in addition to, and not exclusive of, other remedies that may be available.

SEC. 1999M. INVESTIGATIONS AND POWER TO SUBPOENA.

(a) Investigations.—The Secretary may make such investigations as the Secretary considers necessary—

(1) for the effective administration of this subtitle; or

(2) to determine whether any person has engaged or is engaging in any act that constitutes a violation of this subtitle, or any order, rule, or regulation issued under this subtitle.

(b) Subpoenas, Oaths, and Affirmations.—

(1) In general.—For the purpose of an investigation under subsection (a), the Secretary may administer oaths and affirmations, and issue a subpoena to require the production of any records that are relevant to the inquiry. The production of any such records may be required from any place in the United States.

(2) Administrative hearings.—For the purpose of an administrative hearing held under section 1999K or 1999L, the presiding officer is authorized to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any records that are relevant to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States.

(c) Aid of Courts.—In the case of contumacy by, or refusal to obey a subpoena issued to, any person, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in order to enforce a subpoena issued by the Secretary under subsection (b). The court may issue an order requiring such person to comply with such a subpoena.

(d) Contempt.—Any failure to obey such order of the court may be punished by such court as a contempt thereof.

(e) Process.—Process in any such case may be served in the judicial district in which such person resides or conducts business or wherever such person may be found.

(f) Hearing Site.—The site of any hearings held under section 1999K or 1999L shall be within the judicial district where such person resides or has a principal place of business.

SEC. 1999N. REQUIREMENT OF INITIAL REFERENDUM.

(a) In General.—Within the 60-day period immediately preceding the effective date of an order issued under section 1999F(a), the Secretary shall conduct a referendum among fluid milk processors to ascertain whether the order shall go into effect.

(b) Implementation.—If, as a result of the referendum conducted under subsection (a), the Secretary determines that implementation of the order is favored—

(1) by at least 50 percent of fluid milk processors voting in the referendum; and

(2) by fluid milk processors voting in the referendum that marketed during the representative period, as determined by the Secretary, 60 percent or more of the volume of fluid milk products marketed by all processors;

the order shall become effective as provided in section 1999F(b).

(c) COSTS OF REFERENDUM.—The Secretary shall be reimbursed from any assessments collected by the Board for any expenses incurred by the Department in connection with the conduct of any referendum under this subtitle.

(d) MANNER.—

(1) IN GENERAL.—Referenda conducted pursuant to this subtitle shall be conducted in a manner determined by the Secretary.

(2) ADVANCE REGISTRATION.—A fluid milk processor who chooses to vote in any referendum conducted under this subtitle shall register with the Secretary prior to the voting period, after receiving notice from the Secretary concerning the referendum under paragraph (4).

(3) VOTING.—A fluid milk processor who votes in any referendum conducted under this subtitle shall vote in accordance with procedures established by the Secretary. The ballots and other information or reports that reveal or tend to reveal the vote of any processor shall be held strictly confidential.

(4) NOTICE.—The Secretary shall notify all processors at least 30 days prior to a referendum conducted under this subtitle. The notice shall explain the procedure established under this subsection.

SEC. 1999O. SUSPENSION OR TERMINATION OF ORDERS.

(a) TERMINATION OF ORDER.—Any order effective under this subtitle shall be terminated December 31, 1996. The Secretary shall—

(1) terminate the collection of assessments under the order upon such date; and

(2) terminate activities under the order in an orderly manner as soon as practicable after such date.

(b) SUSPENSION OR TERMINATION BY SECRETARY.—The Secretary shall, whenever the Secretary finds that the order or any provision of the order obstructs or does not tend to effectuate the declared policy of this subtitle, terminate or suspend the operation of the order or provision.

(c) OTHER REFERENDA.—

(1) IN GENERAL.—The Secretary may conduct at any time a referendum of persons who, during a representative period as determined by the Secretary, have been fluid milk processors on whether to suspend or terminate the order, and shall hold such a referendum on request of the Board or any group of such processors that among them marketed during a representative period, as determined by the Secretary, 10 percent or more of the volume of fluid milk products marketed by all processors.

(2) SUSPENSION OR TERMINATION.—If the Secretary determines that the suspension or termination is favored—

(A) by at least 50 percent of fluid milk processors voting in the referendum; and

(B) by fluid milk processors voting in the referendum that marketed during a representative period, as determined by the Secretary, 40 percent or more of the volume of fluid milk products marketed by all processors;

the Secretary shall, within 6 months after making the determination, suspend or terminate, as appropriate, collection of assessments under the order, and suspend or terminate, as appropriate, activities under the order in an orderly manner as soon as practicable.

(3) COSTS; MANNER.—Subsections (c) and (d) of section 1999N shall apply to a referendum conducted under this subsection.

SEC. 1999P. AMENDMENTS.

(a) AMENDMENTS TO ORDER.—Subject to subsection (b), the Secretary may issue such amendments to an order as may be necessary to carry out this subtitle.

(b) AMENDMENT TO ASSESSMENT RATES.—

(1) IN GENERAL.—The Secretary may conduct at any time a referendum of persons who, during a representative period as determined by the Secretary, have been fluid milk processors on adjusting the assessment rate under the order issued under this subtitle then in effect, and shall hold such a referendum on request of the Board or any group of such processors that among them marketed during a representative period, as determined by the Secretary, 10 percent or more of the volume of fluid milk products marketed by all processors.

(2) ADJUSTMENT TO ASSESSMENT RATE.—The Secretary shall adjust the assessment rate under the order whenever the Secretary determines that the adjustment is favored—

(A) by at least 50 percent of fluid milk processors voting in the referendum; and

(B) by fluid milk processors that marketed during a representative period, as determined by the Secretary, 60 percent or more of the volume of fluid milk products marketed by all processors;

In no event shall the rate of assessment prescribed by the order exceed 20 cents per hundredweight.

(3) EFFECTIVE DATE.—The adjusted assessment rate shall be effective on a date, as determined by the Secretary, after the results of the referendum are known, but not later than 30 days after the referendum.

(4) COSTS; MANNER.—Subsections (c) and (d) of section 1999N shall apply to a referendum conducted under this subsection.

SEC. 1999Q. INDEPENDENT EVALUATION OF PROGRAMS.

(a) REVIEW AND EVALUATION.—The Comptroller General of the United States shall review and evaluate the order to—

(1) determine the effectiveness of the promotion program conducted under this subtitle on fluid milk sales;

(2) determine if the assessments for the program have been passed back to milk producers by fluid milk processors; and

(3) make recommendations for future funding and assessment levels for the program.

(b) REPORT TO CONGRESS.—The Comptroller General shall submit a report to the Committee on Agriculture of the House of Represent-

atives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the valuations made under this section no later than January 1, 1995.

SEC. 1999R. AUTHORIZATION OF APPROPRIATIONS.

(a) In General.—There are authorized to be appropriated for each fiscal year such funds as are necessary to carry out this subtitle.

(b) Administrative Expenses.—The funds so appropriated shall not be available for payment of the expenses or expenditures of the Board in administering any provision of any order issued under this subtitle.

Subtitle I—Miscelleanous Provisions

SEC. 1999S. PRODUCER RESEARCH AND PROMOTION BOARD ACCOUNTABILITY.

(a) Findings.—Congress finds that—

(1) United States agricultural producers and importers contribute approximately $600,000,000 annually to support agricultural promotion and research, and consumer information relating to food and nutrition, under federally-authorized checkoff programs;

(2) these federally-authorized checkoff programs are self-help efforts that enable the industry members that contribute to these checkoff programs to take an active role in enhancing the marketing of their farm products;

(3) the federally-authorized checkoff programs, while relatively new, have substantially contributed to strengthening markets for the agricultural products covered by the programs;

(4) the authorizing legislation for these agricultural check-off programs provides for the Secretary of Agriculture to appoint boards or councils comprised of producers and importers to assist the Secretary in administering the programs under the Secretary's oversight;

(5) the boards and councils that participate in administering the federally-authorized checkoff programs, in each instance, have important responsibilities under, and make substantial contributions to the effective management of, the programs while serving as a valuable link between the industry members that are funding the promotion, research, and information activities under the programs and the Department of Agriculture;

(6) the producers and importers that pay assessments to support the programs must have confidence in, and strongly support, the checkoff programs if these programs are to continue to succeed; and

(7) the checkoff programs cannot operate efficiently and effectively, nor can producer confidence and support for these programs be maintained, unless the boards and councils faithfully and diligently perform the functions assigned to them under the authorizing legislation.

(b) Sense of the Congress.—It is the sense of Congress that, to ensure the continued success of the federally-authorized checkoff programs, boards or councils that participate in the administration

of the checkoff programs should take care to faithfully and diligently perform the functions assigned to them under the authorizing legislation and otherwise meet their crucial program responsibilities. It further is the sense of Congress that each of these boards and councils, in carrying out the responsibilities assigned to it, is accountable to the Secretary of Agriculture, Congress, and the industry contributing funds for the checkoff program involved, and that each currently operational checkoff board or council should review its charter and activities to ensure that its responsibilities and duties have not been inappropriately delegated or otherwise relinquished to another organization.

SEC. 1999T. CONSISTENCY WITH INTERNATIONAL OBLIGATIONS OF THE UNITED STATES.

(a) IN GENERAL.—Prior to the promulgation of, or amendment to, any order or plan under a research and promotion program relating to research and promotion of any agricultural commodity or product, after the date of enactment of this title, where such order or plan would provide for an assessment on imports, the Secretary of Agriculture shall consult with the United States Trade Representative regarding the consistency of the provisions of the order or plan with the international obligations of the United States.

(b) COMPLIANCE WITH U.S. INTERNATIONAL OBLIGATIONS.—The Secretary of Agriculture shall take all steps necessary and appropriate to ensure that any order or plan or amendment to such order or plan, and the implementation and enforcement of any order or plan or amendment to such order or plan, or program as it relates to imports is nondiscriminatory and in compliance with the international obligations of the United States, as interpreted by the United States Trade Representative.

(c) CONSTRUCTION.—Nothing in this section shall be construed as providing for a cause of action under this section.

TITLE XX—GRAIN QUALITY

SEC. 2001. SHORT TITLE.

This title may be cited as the "Grain Quality Incentives Act of 1990".

SEC. 2002. COMMITTEE ON GRAIN QUALITY AND GRAIN QUALITY COORDINATOR.

(a) ESTABLISHMENT OF COMMITTEE AND COORDINATOR.—

(1) COMMITTEE.—The Secretary of Agriculture (hereafter referred to in this title as the "Secretary") shall establish, within the Department of Agriculture, a Committee on Grain Quality (hereafter referred to in this section as the "Committee").

(2) COORDINATOR.—The Committee established under paragraph (1) shall be chaired by an individual, appointed by the Secretary, who shall serve as the Grain Quality Coordinator (hereafter referred to in this title as the "Coordinator") and, in consultation with the Committee, carry out the duties described in subsection (b).

(b) DUTIES.—The Coordinator shall be responsible for—

(1) assembling and evaluating, in a systematic manner, concerns and problems with the quality of United States grain, expressed by foreign and domestic buyers and end-users;

(2) developing and implementing a coordinated effort to inform and educate foreign buyers concerning the proper specifications of grain purchase contracts to obtain the quality of grain they desire;

(3) reviewing the programs and activities of the Department of Agriculture with respect to United States grain to determine whether the activities are consistent with the provisions of this title (and other provisions of law) as such provisions relate to grain quality and grain quality competitiveness;

(4) serving as the Federal Government coordinator with respect to grain quality and grain quality competitiveness; and

(5) investigating and communicating, through the Secretary, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate concerning—

(A) actions undertaken by the Department of Agriculture—

(i) to improve the quality of United States grain; and

(ii) that are inconsistent with the goal of improving grain quality;

(B) conditions in the production and marketing sectors that discourage improvements in grain quality;

(C) interrelationships of rules and actions taken by the Federal Grain Inspection Service, other agencies of the Department of Agriculture, Food and Drug Administration, Environmental Protection Agency, and other Federal agencies, relating to grain production, handling, storage, transportation, and processing as such actions affect the wholesomeness and performance of grain;

(D) recommendations for legislative or regulatory changes that would address grain quality issues;

(E) progress made and benefits expected from the international harmonization of sanitary and phytosanitary requirements affecting grain;

(F) potential opportunities and benefits from the international harmonization of grain grades and standards;

(G) alternative forms of financial and technical assistance available and needed by producers and elevator operators to acquire and properly utilize grain cleaning, drying, and storage equipment; and

(H) progress on requirements of other sections of this title.

(c) TERMINATION.—This section shall terminate on January 1, 2001.

SEC. 2003. BENEFITS AND COSTS ASSOCIATED WITH IMPROVED GRAIN QUALITY.

The Administrator of the Federal Grain Inspection Service shall estimate the economic impact, including the benefits and costs and the distribution of such benefits and costs, of any major changes necessary to carry out the amendments made under this title to sec-

tions 4 and 13 of the United States Grain Standards Act (7 U.S.C. 76 and 87b) prior to making such changes.

SEC. 2004. CLASSIFICATION, GRADES AND STANDARDS DESIGN FRAMEWORK.

Section 2(b)(3) of the United States Grain Standards Act (7 U.S.C. 74(b)(3)) is amended—

(1) in subparagraph (C), by striking "and" at the end thereof;

(2) in subparagraph (D), by striking the period and inserting a semicolon; and

(3) by adding at the end thereof the following new subparagraphs:

"(E) reflect the economic value-based characteristics in the end uses of grain; and

"(F) accommodate scientific advances in testing and new knowledge concerning factors related to, or highly correlated with, the end use performance of grain.".

SEC. 2005. IMPROVING THE CLEANLINESS OF GRAIN.

Section 4(b) of the United States Grain Standards Act (7 U.S.C. 76(b)) is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end thereof the following new paragraph:

"(2)(A)(i) If the Administrator determines that the establishment or amendment of standards regarding cleanliness conditions of wheat, corn, barley, sorghum and soybeans that meet the requirements for grade number 3 or better (as set forth in subparagraph (B)) would—

"(I) enhance the competitiveness of exports of wheat, corn, barley, sorghum and soybeans from the United States with wheat, corn, barley, sorghum and soybean exports marketed by other major exporters;

"(II) result in the maintenance or expansion of the United States export market share for wheat, corn, barley, sorghum and soybeans;

"(III) result in the maintenance or increase of United States producer income; and

"(IV) be in the interest of United States agriculture, taking into consideration technical constraints, economic benefits and costs to producers and industry, price competitiveness, and importer needs;

the Administrator shall establish or amend the standards to include economically and commercially practical levels of cleanliness for wheat, corn, barley, sorghum and soybeans.

"(ii) The Administrator shall make a finding under this subsection for grain of the type described in clause (i) as soon as practicable after the date of enactment of this paragraph.

"(B)(i) In establishing requirements for cleanliness characteristics, the Administrator shall—

"(I) consider technical constraints, economic benefits and costs to producers and industry, the price competitiveness of United States agricultural production, and levels of cleanliness met by major competing nations that export wheat, corn, barley, sorghum and soybeans;

"(II) promulgate regulations after providing for notice and an opportunity for public comment; and

"(III) phase in any requirements for cleanliness characteristics by incrementally decreasing the levels of the objectionable material permitted in shipments of grade number 3 or better wheat, corn, barley, sorghum and soybeans.

"(ii) Following the phase-in period referred to in clause (i)(III), subsequent revision of cleanliness requirements shall be conducted consistent with the schedule of the Administrator for reviewing grain standards.

"(C) If the Administrator determines to establish requirements for cleanliness characteristics under this section, the Administrator shall ensure that such requirements are fully implemented not later than 6 years after the date of enactment of this paragraph.".

SEC. 2006. GRADE DETERMINING FACTORS RELATED TO PHYSICAL SOUNDNESS AND PURITY.

Section 4 of the United States Grain Standards Act (7 U.S.C. 76) (as amended by section 2005) is further amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following new subsection:

"(c)(1) In establishing standards under subsection (a) for each grain for which official grades are established, the Administrator shall establish for each such grain official grade-determining factors and factor limits that reflect the levels of soundness and purity that are consistent with end-use performance goals of the major foreign and domestic users of each such grain. Such factors and factor limits for grades number 3 and better shall provide users of such standards the best possible information from which to determine end-use product quality. The Administrator shall establish factors and factor limits that will provide that grain meeting the requirements for grades number 3 and better will perform in accordance with general trade expectations for the predominant uses of such grain.

"(2) In establishing factors and factor limits under paragraph (1), the Administrator shall provide for notice and an opportunity for public comment prior to making changes in the grade-determining factors and factor limits that shall be applicable under this section to grain that is officially graded.".

SEC. 2007. TESTING FOR AFLATOXIN CONTAMINATION OF CORN SHIPPED IN FOREIGN COMMERCE.

Section 5 of the United States Grain Standards Act (7 U.S.C. 77) is amended by inserting at the end the following new subsections:

"(c) The Administrator is authorized and directed to require that all corn exported from the United States be tested to ascertain whether it exceeds acceptable levels of aflatoxin contamination, unless the contract for export between the buyer and seller stipulates that aflatoxin testing shall not be conducted.".

SEC. 2008. PROHIBITION OF CONTAMINATION.

Section 13 of the United States Grain Standards Act (7 U.S.C. 87b) is amended by adding at the end the following new subsection:

"(e)(1) The Administrator may prohibit the contamination of sound and pure grain as a result of the introduction of—

"(A) nongrain substances;

"(B) grain unfit for ordinary commercial purposes; or

"(C) grain that exceeds action limits established by the Food and Drug Administration or grain having residues that exceed the tolerance levels established by the Environmental Protection Agency.

"(2) No prohibition imposed under this section shall be construed to restrict the marketing of any grain so long as the grade or condition of the grain is properly identified.

"(3) Prior to taking action under this subsection, the Administrator shall promulgate regulations after providing for notice and an opportunity for public comment, that identify and define actions and conditions that are subject to prohibition.

"(4) In no case shall the Administrator prohibit the blending of an entire grade of grain.

"(5) In implementing paragraph (1)(C), the Administrator shall report any prohibitions to other appropriate public health agencies.".

SEC. 2009. STANDARDIZING COMMERCIAL INSPECTIONS.

The United States Grain Standards Act (7 U.S.C. 71) is amended by adding at the end the following new section:

"SEC. 22. STANDARDIZING COMMERCIAL INSPECTIONS.

"(a) TESTING EQUIPMENT.—To promote greater uniformity in commercial grain inspection results, the Administrator may work in conjunction with the National Institute for Standards and Technology and the National Conference on Weights and Measures to—

"(1) identify inspection instruments requiring standardization under subsection (b);

"(2) establish performance criteria for commercial grain inspection instruments;

"(3) develop a national program to approve grain inspection instruments for commercial inspection; and

"(4) develop standard reference materials or other means necessary for calibration or testing of approved instruments.

"(b) GENERAL INSPECTION PROCEDURES.—To ensure that producers are treated uniformly in delivering grain, the Administrator shall develop practical and cost-effective procedures for conducting commercial inspections of grain with respect to the application of quality factors, that result in premiums and discounts. The procedures shall be made available to country elevators and others making first-point-of-delivery inspections.

"(c) INSPECTION SERVICES AND INFORMATION.—To encourage the use of equipment and procedures developed in accordance with subsection (a) and (b), the Administrator shall provide for official inspection services by the Service, States, and official inspection agencies and provide information on the proper use of sampling and inspection equipment, application of the grain standards, and availability of official inspection services, including appeals under this Act.

"(d) STANDARDIZED AFLATOXIN EQUIPMENT AND PROCEDURES.—The Administrator shall—

"(1) establish uniform standards for testing equipment; and

"(2) establish uniform testing procedures and sampling techniques;

that may be used by processors, refiners, operators of grain elevators and terminals, and others to accurately detect the level of aflatoxin contamination of corn in the United States.".

SEC. 2010. ENTRY QUALITY STANDARDS FOR ALL FARMER-OWNED RESERVE GRAINS.

Section 110 of the Agricultural Act of 1949 (7 U.S.C. 1445e) is amended by adding at the end the following new subsection:

"(k) In announcing the terms and conditions of the producer storage program under subsection (e)(1), the Secretary shall review standards concerning the quality of grain that shall be allowed to be stored under the program, and such standards should encourage only quality grain, as determined by the Secretary, to be pledged as collateral for such loans. The Secretary shall review inspection, maintenance, and stock rotation requirements and take the necessary steps to maintain the quality of such grain.".

SEC. 2011. PRICE SUPPORT LOAN INCENTIVES FOR QUALITY GRAIN.

Section 403(a) of the Agricultural Act of 1949 (7 U.S.C. 1423) (as amended by section 1128) is further amended by adding at the end thereof the following new sentence: "Beginning with the 1991 crops of wheat, feed grains, and soybeans for which price support is provided under this Act, the Secretary shall establish premiums and discounts related to cleanliness factors in addition to any other premiums or discounts related to quality.".

SEC. 2012. QUALITY REQUIREMENTS FOR COMMODITY CREDIT CORPORATION-OWNED GRAIN.

The Agricultural Act of 1949 is amended by inserting after section 407 (7 U.S.C. 1427) the following new section:

"SEC. 407A. QUALITY REQUIREMENTS FOR COMMODITY CREDIT CORPORATION OWNED GRAIN.

"(a) ESTABLISHMENT OF MINIMUM STANDARDS.—Notwithstanding any other provision of law, the Secretary shall establish minimum quality standards that shall apply to grain that is deposited for storage for the account of the Commodity Credit Corporation. In establishing such standards, the Secretary shall take into consideration factors related to the ability of grain to withstand storage and assurance of acceptable end-use performance.

"(b) INSPECTION OF GRAIN ACQUISITIONS.—The Commodity Credit Corporation shall utilize Federal Grain Inspection Service approved procedures to inspect and evaluate the condition of the grain it acquires from producers. In no case shall this section require the use of an official inspection unless the producer so requests.".

SEC. 2013. SEED VARIETY INFORMATION AND SURVEY.

(a) INFORMATION.—

(1) IN GENERAL.—Grain submitted for public testing shall be evaluated for selected specific agronomic performance characteristics and intrinsic end-use performance characteristics, as determined by the Secretary, with the results of the evaluations made available to the Secretary.

(2) Dissemination of information.—The Secretary shall disseminate varietal performance information obtained under paragraph (1) to plant breeders, producers, and end users.

(b) Survey.—The Secretary shall periodically conduct, compile, and publish a survey of grain varieties commercially produced in the United States.

(c) Analysis of Variety Survey Data.—The Secretary shall analyze the variety surveys conducted under subsection (b) in conjunction with available applied research information on intrinsic quality characteristics of the varieties, to evaluate general intrinsic crop quality characteristics and trends in production related to intrinsic quality characteristics. This information shall be disseminated as required by subsection (a)(2).

SEC. 2014. AUTHORITY TO ASSIST FARMERS AND ELEVATOR OPERATORS.

The Secretary may provide technical assistance (including information on such financial assistance as may be available) to grain producers and elevator operators to assist such producers and operators in installing or improving grain cleaning, drying or storage equipment.

SEC. 2015. SENSE OF CONGRESS CONCERNING TESTS FOR PURITY.

(a) Finding.—Congress finds that consumers, both international and domestic, are aware of, and concerned with, the purity of their food supply.

(b) Sense of Congress.—It is the sense of Congress that in order to assure buyers of the purity of United States grain, the Federal Grain Inspection Service should, as soon as technically and economically practical, develop tests of mycotoxins and pesticide residues and make such tests available on such impurities in conjunction with official grain inspections established under the United States Grain Standards Act (7 U.S.C. 71 et seq.).

SEC. 2016. SENSE OF CONGRESS CONCERNING COOPERATIVE ENFORCEMENT OF FEDERAL GRAIN PURITY REQUIREMENTS.

(a) Findings.—Congress finds that the laws and regulations related to the purity and safety of grain that are administered by the Food and Drug Administration and the Environmental Protection Agency serve to insure the integrity of the United States as a supplier of wholesome grain.

(b) Sense of Congress.—It is the sense of Congress that Federal agencies that are responsible for enforcing the laws and regulations relating to the quality, purity, and safety of United States grain exported and marketed domestically should seek assistance from and cooperate with the Federal Grain Inspection Service in the enforcement of the laws and regulations referred to in subsection (a).

SEC. 2017. SENSE OF CONGRESS CONCERNING END-USE PERFORMANCE RESEARCH.

(a) Findings.—Congress finds that—

(1) research concerning the end-use performance of grain conducted by the Agricultural Research Service and land-grant universities is critical to improving the quality and competitiveness of United States grains in domestic and world markets;

(2) the work done by the Agricultural Research Service wheat quality laboratories has proven valuable to improving the un-

derstanding of individuals concerning the relationships between the physical and chemical properties of wheat and the performance of wheat in milling and baking; and

(3) research conducted by the Agricultural Research Service and land-grant universities concerning the composition of corn and soybean varieties has proven valuable to feed and food users.

(b) Sense of Congress.—It is the sense of Congress that the Secretary, and in particular the Agricultural Research Service and land-grant universities, should adjust their financial priorities to place increased emphasis on grain variety evaluation and the development of objective tests for the end-use properties of grains.

SEC. 2018. SENSE OF CONGRESS CONCERNING COOPERATION IN OBJECTIVE TESTING.

(a) Finding.—Congress finds that the close cooperative relationship that exists between the Federal Grain Inspection Service, the Agricultural Research Service, and land-grant universities has proven highly beneficial in identifying grain quality related characteristics, developing tests, and designing grain standards.

(b) Sense of Congress.—It is the sense of Congress that the cooperative efforts described in subsection (a), including the sharing of funds and personnel, should be expanded, and that the Federal Grain Inspection Service should continue to utilize the research capabilities of the Agricultural Research Service and the land-grant universities in these efforts.

TITLE XXI—ORGANIC CERTIFICATION

SEC. 2101. SHORT TITLE.

This title may be cited as the "Organic Foods Production Act of 1990".

SEC. 2102. PURPOSES.

It is the purpose of this title—

(1) to establish national standards governing the marketing of certain agricultural products as organically produced products;

(2) to assure consumers that organically produced products meet a consistent standard; and

(3) to facilitate interstate commerce in fresh and processed food that is organically produced.

SEC. 2103. DEFINITIONS.

As used in this title:

(1) Agricultural product.—The term "agricultural product" means any agricultural commodity or product, whether raw or processed, including any commodity or product derived from livestock that is marketed in the United States for human or livestock consumption.

(2) Botanical pesticides.—The term "botanical pesticides" means natural pesticides derived from plants.

(3) Certifying agent.—The term "certifying agent" means the chief executive officer of a State or, in the case of a State that provides for the Statewide election of an official to be re-

sponsible solely for the administration of the agricultural operations of the State, such official, and any person (including private entities) who is accredited by the Secretary as a certifying agent for the purpose of certifying a farm or handling operation as a certified organic farm or handling operation in accordance with this title.

(4) CERTIFIED ORGANIC FARM.—The term "certified organic farm" means a farm, or portion of a farm, or site where agricultural products or livestock are produced, that is certified by the certifying agent under this title as utilizing a system of organic farming as described by this title.

(5) CERTIFIED ORGANIC HANDLING OPERATION.—The term "certified organic handling operation" means any operation, or portion of any handling operation, that is certified by the certifying agent under this title as utilizing a system of organic handling as described under this title.

(6) CROP YEAR.—The term "crop year" means the normal growing season for a crop as determined by the Secretary.

(7) GOVERNING STATE OFFICIAL.—The term "governing State official" means the chief executive official of a State or, in the case of a State that provides for the Statewide election of an official to be responsible solely for the administration of the agricultural operations of the State, such official, who administers an organic certification program under this title.

(8) HANDLE.—The term "handle" means to sell, process or package agricultural products.

(9) HANDLER.—The term "handler" means any person engaged in the business of handling agricultural products, except such term shall not include final retailers of agricultural products that do not process agricultural products.

(10) HANDLING OPERATION.—The term "handling operation" means any operation or portion of an operation (except final retailers of agricultural products that do not process agricultural products) that—

(A) receives or otherwise acquires agricultural products; and

(B) processes, packages, or stores such products.

(11) LIVESTOCK.—The term "livestock" means any cattle, sheep, goats, swine, poultry, equine animals used for food or in the production of food, fish used for food, wild or domesticated game, or other nonplant life.

(12) NATIONAL LIST.—The term "National List" means a list of approved and prohibited substances as provided for in section 2118.

(13) ORGANIC PLAN.—The term "organic plan" means a plan of management of an organic farming or handling operation that has been agreed to by the producer or handler and the certifying agent and that includes written plans concerning all aspects of agricultural production or handling described in this title including crop rotation and other practices as required under this title.

(14) ORGANICALLY PRODUCED.—The term "organically produced" means an agricultural product that is produced and handled in accordance with this title.

(15) Person.—The term "person" means an individual, group of individuals, corporation, association, organization, cooperative, or other entity.

(16) Pesticide.—The term "pesticide" means any substance which alone, in chemical combination, or in any formulation with one or more substances, is defined as a pesticide in the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.).

(17) Processing.—The term "processing" means cooking, baking, heating, drying, mixing, grinding, churning, separating, extracting, cutting, fermenting, eviscerating, preserving, dehydrating, freezing, or otherwise manufacturing, and includes the packaging, canning, jarring, or otherwise enclosing food in a container.

(18) Producer.—The term "producer" means a person who engages in the business of growing or producing food or feed.

(19) Secretary.—The term "Secretary" means the Secretary of Agriculture.

(20) State organic certification program.—The term "State organic certification program" means a program that meets the requirements of section 2107, is approved by the Secretary, and that is designed to ensure that a product that is sold or labeled as "organically produced" under this title is produced and handled using organic methods.

(21) Synthetic.—The term "synthetic" means a substance that is formulated or manufactured by a chemical process or by a process that chemically changes a substance extracted from naturally occurring plant, animal, or mineral sources, except that such term shall not apply to substances created by naturally occurring biological processes.

SEC. 2104. NATIONAL ORGANIC PRODUCTION PROGRAM.

(a) In General.—The Secretary shall establish an organic certification program for producers and handlers of agricultural products that have been produced using organic methods as provided for in this title.

(b) State Program.—In establishing the program under subsection (a), the Secretary shall permit each State to implement a State organic certification program for producers and handlers of agricultural products that have been produced using organic methods as provided for in this title.

(c) Consultation.—In developing the program under subsection (a), and the National List under section 2118, the Secretary shall consult with the National Organic Standards Board established under section 2119.

(d) Certification.—The Secretary shall implement the program established under subsection (a) through certifying agents. Such certifying agents may certify a farm or handling operation that meets the requirements of this title and the requirements of the organic certification program of the State (if applicable) as an organically certified farm or handling operation.

SEC. 2105. NATIONAL STANDARDS FOR ORGANIC PRODUCTION.

To be sold or labeled as an organically produced agricultural product under this title, an agricultural product shall—

(1) have been produced and handled without the use of synthetic chemicals, except as otherwise provided in this title;

(2) except as otherwise provided in this title and excluding livestock, not be produced on land to which any prohibited substances, including synthetic chemicals, have been applied during the 3 years immediately preceding the harvest of the agricultural products.

(3) be produced and handled in compliance with an organic plan agreed to by the producer and handler of such product and the certifying agent.

SEC. 2106. COMPLIANCE REQUIREMENTS.

(a) DOMESTIC PRODUCTS.—

(1) IN GENERAL.—On or after October 1, 1993—

(A) a person may sell or label an agricultural product as organically produced only if such product is produced and handled in accordance with this title; and

(B) no person may affix a label to, or provide other market information concerning, an agricultural product if such label or information implies, directly or indirectly, that such product is produced and handled using organic methods, except in accordance with this title.

(2) USDA STANDARDS AND SEAL.—A label affixed, or other market information provided, in accordance with paragraph (1) may indicate that the agricultural product meets Department of Agriculture standards for organic production and may incorporate the Department of Agriculture seal.

(b) IMPORTED PRODUCTS.—Imported agricultural products may be sold or labeled as organically produced if the Secretary determines that such products have been produced and handled under an organic certification program that provides safeguards and guidelines governing the production and handling of such products that are at least equivalent to the requirements of this title.

(c) EXEMPTIONS FOR PROCESSED FOOD.—Subsection (a) shall not apply to agricultural products that—

(1) contain at least 50 percent organically produced ingredients by weight, excluding water and salt, to the extent that the Secretary, in consultation with the National Organic Standards Board and the Secretary of Health and Human Services, has determined to permit the word "organic" to be used on the principal display panel of such products only for the purpose of describing the organically produced ingredients; or

(2) contain less than 50 percent organically produced ingredients by weight, excluding water and salt, to the extent that the Secretary, in consultation with the National Organic Standards Board and the Secretary of Health and Human Services, has determined to permit the word "organic" to appear on the ingredient listing panel to describe those ingredients that are organically produced in accordance with this title.

(d) SMALL FARMER EXEMPTION.—Subsection (a)(1) shall not apply to persons who sell no more than $5,000 annually in value of agricultural products.

SEC. 2107. GENERAL REQUIREMENTS.

(a) IN GENERAL.—A program established under this title shall—

(1) provide that an agricultural product to be sold or labeled as organically produced must—

(A) be produced only on certified organic farms and handled only through certified organic handling operations in accordance with this title; and

(B) be produced and handled in accordance with such program;

(2) require that producers and handlers desiring to participate under such program establish an organic plan under section 2114;

(3) provide for procedures that allow producers and handlers to appeal an adverse administrative determination under this title;

(4) require each certified organic farm or each certified organic handling operation to certify to the Secretary, the governing State official (if applicable), and the certifying agent on an annual basis, that such farm or handler has not produced or handled any agricultural product sold or labeled as organically produced except in accordance with this title;

(5) provide for annual on-site inspection by the certifying agent of each farm and handling operation that has been certified under this title;

(6) require periodic residue testing by certifying agents of agricultural products that have been produced on certified organic farms and handled through certified organic handling operations to determine whether such products contain any pesticide or other nonorganic residue or natural toxicants and to require certifying agents, to the extent that such agents are aware of a violation of applicable laws relating to food safety, to report such violation to the appropriate health agencies;

(7) provide for appropriate and adequate enforcement procedures, as determined by the Secretary to be necessary and consistent with this title;

(8) protect against conflict-of-interest as specified under section 2116(h);

(9) provide for public access to certification documents and laboratory analyses that pertain to certification;

(10) provide for the collection of reasonable fees from producers, certifying agents and handlers who participate in such program; and

(11) require such other terms and conditions as may be determined by the Secretary to be necessary.

(b) DISCRETIONARY REQUIREMENTS.—An organic certification program established under this title may—

(1) provide for the certification of an entire farm or handling operation or specific fields of a farm or parts of a handling operation if—

(A) in the case of a farm or field, the area to be certified has distinct, defined boundaries and buffer zones separating the land being operated through the use of organic methods from land that is not being operated through the use of such methods;

(B) the operators of such farm or handling operation maintain records of all organic operations separate from

records relating to other operations and make such records available at all times for inspection by the Secretary, the certifying agent, and the governing State official; and

(C) appropriate physical facilities, machinery, and management practices are established to prevent the possibility of a mixing of organic and nonorganic products or a penetration of prohibited chemicals or other substances on the certified area; and

(2) provide for reasonable exemptions from specific requirements of this title (except the provisions of section 2112) with respect to agricultural products produced on certified organic farms if such farms are subject to a Federal or State emergency pest or disease treatment program.

(c) STATE PROGRAM.—A State organic certification program approved under this title may contain additional guidelines governing the production or handling of products sold or labeled as organically produced in such State as required in section 2108.

SEC. 2108. STATE ORGANIC CERTIFICATION PROGRAM.

(a) IN GENERAL.—The governing State official may prepare and submit a plan for the establishment of a State organic certification program to the Secretary for approval. A State organic certification program must meet the requirements of this title to be approved by the Secretary.

(b) ADDITIONAL REQUIREMENTS.—

(1) AUTHORITY.—A State organic certification program established under subsection (a) may contain more restrictive requirements governing the organic certification of farms and handling operations and the production and handling of agricultural products that are to be sold or labeled as organically produced under this title than are contained in the program established by the Secretary.

(2) CONTENT.—Any additional requirements established under paragraph (1) shall—

(A) further the purposes of this title;

(B) not be inconsistent with this title;

(C) not be discriminatory towards agricultural commodities organically produced in other States in accordance with this title; and

(D) not become effective until approved by the Secretary.

(c) REVIEW AND OTHER DETERMINATIONS.—

(1) SUBSEQUENT REVIEW.—The Secretary shall review State organic certification programs not less than once during each 5-year period following the date of the approval of such programs.

(2) CHANGES IN PROGRAM.—The governing State official, prior to implementing any substantive change to programs approved under this subsection, shall submit such change to the Secretary for approval.

(3) TIME FOR DETERMINATION.—The Secretary shall make a determination concerning any plan, proposed change to a program, or a review of a program not later than 6 months after receipt of such plan, such proposed change, or the initiation of such review.

SEC. 2109. PROHIBITED CROP PRODUCTION PRACTICES AND MATERIALS.

(a) Seed, Seedlings and Planting Practices.—For a farm to be certified under this title, producers on such farm shall not apply materials to, or engage in practices on, seeds or seedlings that are contrary to, or inconsistent with, the applicable organic certification program.

(b) Soil Amendments.—For a farm to be certified under this title, producers on such farm shall not—

(1) use any fertilizers containing synthetic ingredients or any commercially blended fertilizers containing materials prohibited under this title or under the applicable State organic certification program; or

(2) use as a source of nitrogen: phosphorous, lime, potash, or any materials that are inconsistent with the applicable organic certification program.

(c) Crop Management.—For a farm to be certified under this title, producers on such farm shall not—

(1) use natural poisons such as arsenic or lead salts that have long-term effects and persist in the environment, as determined by the applicable governing State official or the Secretary;

(2) use plastic mulches, unless such mulches are removed at the end of each growing or harvest season; or

(3) use transplants that are treated with any synthetic or prohibited material.

SEC. 2110. ANIMAL PRODUCTION PRACTICES AND MATERIALS.

(a) In General.—Any livestock that is to be slaughtered and sold or labeled as organically produced shall be raised in accordance with this title.

(b) Breeder Stock.—Breeder stock may be purchased from any source if such stock is not in the last third of gestation.

(c) Practices.—For a farm to be certified under this title as an organic farm with respect to the livestock produced by such farm, producers on such farm—

(1) shall feed such livestock organically produced feed that meets the requirements of this title;

(2) shall not use the following feed—

(A) plastic pellets for roughage;

(B) manure refeeding; or

(C) feed formulas containing urea; and

(3) shall not use growth promoters and hormones on such livestock, whether implanted, ingested, or injected, including antibiotics and synthetic trace elements used to stimulate growth or production of such livestock.

(d) Health Care.—

(1) Prohibited practices.—For a farm to be certified under this title as an organic farm with respect to the livestock produced by such farm, producers on such farm shall not—

(A) use subtherapeutic doses of antibiotics;

(B) use synthetic internal paraciticides on a routine basis; or

(C) administer medication, other than vaccinations, in the absence of illness.

(2) STANDARDS.—The National Organic Standards Board shall recommend to the Secretary standards in addition to those in paragraph (1) for the care of livestock to ensure that such livestock is organically produced.

(e) ADDITIONAL GUIDELINES.—

(1) POULTRY.—With the exception of day old poultry, all poultry from which meat or eggs will be sold or labeled as organically produced shall be raised and handled in accordance with this title prior to and during the period in which such meat or eggs are sold.

(2) DAIRY LIVESTOCK.—A dairy animal from which milk or milk products will be sold or labeled as organically produced shall be raised and handled in accordance with this title for not less than the 12-month period immediately prior to the sale of such milk and milk products.

(f) LIVESTOCK IDENTIFICATION.—

(1) IN GENERAL.—For a farm to be certified under this title as an organic farm with respect to the livestock produced by such farm, producers on such farm shall keep adequate records and maintain a detailed, verifiable audit trail so that each animal (or in the case of poultry, each flock) can be traced back to such farm.

(2) RECORDS.—In order to carry out paragraph (1), each producer shall keep accurate records on each animal (or in the case of poultry, each flock) including—

(A) amounts and sources of all medications administered; and

(B) all feeds and feed supplements bought and fed.

(h) NOTICE AND PUBLIC COMMENT.—The Secretary shall hold public hearings and shall develop detailed regulations, with notice and public comment, to guide the implementation of the standards for livestock products provided under this section.

SEC. 2111. HANDLING.

(a) IN GENERAL.—For a handling operation to be certified under this title, each person on such handling operation shall not, with respect to any agricultural product covered by this title—

(1) add any synthetic ingredient during the processing or any post harvest handling of the product;

(2) add any ingredient known to contain levels of nitrates, heavy metals, or toxic residues in excess of those permitted by the applicable organic certification program;

(3) add any sulfites, nitrates, or nitrites;

(4) add any ingredients that are not organically produced in accordance with this title and the applicable organic certification program, unless such ingredients are included on the National List and represent not more than 5 percent of the weight of the total finished product (excluding salt and water);

(5) use any packaging materials, storage containers or bins that contain synthetic fungicides, preservatives, or fumigants;

(6) use any bag or container that had previously been in contact with any substance in such a manner as to compromise the organic quality of such product; or

(7) use, in such product water that does not meet all Safe Drinking Water Act requirements.

(b) MEAT.—For a farm or handling operation to be organically certified under this title, producers on such farm or persons on such handling operation shall ensure that organically produced meat does not come in contact with nonorganically produced meat.

SEC. 2112. ADDITIONAL GUIDELINES.

(a) IN GENERAL.—The Secretary, the applicable governing State official, and the certifying agent shall utilize a system of residue testing to test products sold or labeled as organically produced under this title to assist in the enforcement of this title.

(b) PRE-HARVEST TESTING.—The Secretary, the applicable governing State official, or the certifying agent may require preharvest tissue testing of any crop grown on soil suspected of harboring contaminants.

(c) COMPLIANCE REVIEW.—

(1) INSPECTION.—If the Secretary, the applicable governing State official, or the certifying agent determines that an agricultural product sold or labeled as organically produced under this title contains any detectable pesticide or other non-organic residue or prohibited natural substance the Secretary, the applicable governing State official, or the certifying agent shall conduct an investigation to determine if the organic certification program has been violated, and may require the producer or handler of such product to prove that any prohibited substance was not applied to such product.

(2) REMOVAL OF ORGANIC LABEL.—If, as determined by the Secretary, the applicable governing State official, or the certifying agent, the investigation conducted under paragraph (1) indicates that the residue is—

(A) the result of intentional application of a prohibited substance; or

(B) present at levels that are greater than unavoidable residual environmental contamination as prescribed by the Secretary or the applicable governing State official in consultation with the appropriate environmental regulatory agencies;

such agricultural product shall not be sold or labeled as organically produced under this title.

(d) RECORDKEEPING REQUIREMENTS.—Producers who operate a certified organic farm or handling operation under this title shall maintain records for 5 years concerning the production or handling of agricultural products sold or labeled as organically produced under this title, including—

(1) a detailed history of substances applied to fields or agricultural products; and

(2) the names and addresses of persons who applied such substances, the dates, the rate, and method of application of such substances.

SEC. 2113. OTHER PRODUCTION AND HANDLING PRACTICES.

If a production or handling practice is not prohibited or otherwise restricted under this title, such practice shall be permitted unless it *is determined that such practice would be inconsistent with the applicable organic certification program.*

SEC. 2114. ORGANIC PLAN.

(a) IN GENERAL.—A producer or handler seeking certification under this title shall submit an organic plan to the certifying agent and the State organic certification program (if applicable), and such plan shall be reviewed by the certifying agent who shall determine if such plan meets the requirements of the programs.

(b) CROP PRODUCTION FARM PLAN.—

(1) SOIL FERTILITY.—An organic plan shall contain provisions designed to foster soil fertility, primarily through the management of the organic content of the soil through proper tillage, crop rotation, and manuring.

(2) MANURING.—

(A) INCLUSION IN ORGANIC PLAN.—An organic plan shall contain terms and conditions that regulate the application of manure to crops.

(B) APPLICATION OF MANURE.—Such organic plan may provide for the application of raw manure only to—

(i) any green manure crop;

(ii) any perennial crop;

(iii) any crop not for human consumption; and

(iv) any crop for human consumption, if such crop is harvested after a reasonable period of time determined by the certifying agent to ensure the safety of such crop, after the most recent application of raw manure, but in no event shall such period be less than 60 days after such application.

(C) CONTAMINATION BY MANURE.—Such organic plan shall prohibit raw manure from being applied to any crop in a way that significantly contributes to water contamination by nitrates or bacteria.

(c) LIVESTOCK PLAN.—An organic livestock plan shall contain provisions designed to foster the organic production of livestock consistent with the purposes of this title.

(d) MIXED CROP LIVESTOCK PRODUCTION.—An organic plan may encompass both the crop production and livestock production requirements in subsections (b) and (c) if both activities are conducted by the same producer.

(e) HANDLING PLAN.—An organic handling plan shall contain provisions designed to ensure that agricultural products that are sold or labeled as organically produced are produced and handled in a manner that is consistent with the purposes of this title.

(f) MANAGEMENT OF WILD CROPS.—An organic plan for the harvesting of wild crops shall—

(1) designate the area from which the wild crop will be gathered or harvested;

(2) include a 3 year history of the management of the area showing that no prohibited substances have been applied;

(3) include a plan for the harvesting or gathering of the wild crops assuring that such harvesting or gathering will not be destructive to the environment and will sustain the growth and production of the wild crop; and

(4) include provisions that no prohibited substances will be applied by the producer.

(g) LIMITATION ON CONTENT OF PLAN.—An organic plan shall not include any production or handling practices that are inconsistent with this title.

SEC. 2115. ACCREDITATION PROGRAM.

(a) IN GENERAL.—The Secretary shall establish and implement a program to accredit a governing State official, and any private person, that meets the requirements of this section as a certifying agent for the purpose of certifying a farm or handling operation as a certified organic farm or handling operation.

(b) REQUIREMENTS.—To be accredited as a certifying agent under this section, a governing State official or private person shall—

(1) prepare and submit, to the Secretary, an application for such accreditation;

(2) have sufficient expertise in organic farming and handling techniques as determined by the Secretary; and

(3) comply with the requirements of this section and section 2116.

(c) DURATION OF DESIGNATION.—An accreditation made under this section shall be for a period of not to exceed 5 years, as determined appropriate by the Secretary, and may be renewed.

SEC. 2116. REQUIREMENTS OF CERTIFYING AGENTS.

(a) ABILITY TO IMPLEMENT REQUIREMENTS.—To be accredited as a certifying agent under section 2115, a governing State official or a person shall be able to fully implement the applicable organic certification program established under this title.

(b) INSPECTORS.—Any certifying agent shall employ a sufficient number of inspectors to implement the applicable organic certification program established under this title, as determined by the Secretary.

(c) RECORDKEEPING.—

(1) MAINTENANCE OF RECORDS.—Any certifying agent shall maintain all records concerning its activities under this title for a period of not less than 10 years.

(2) ACCESS FOR SECRETARY.—Any certifying agent shall allow representatives of the Secretary and the governing State official access to any and all records concerning the certifying agent's activities under this title.

(3) TRANSFERENCE OF RECORDS.—If any private person that was certified under this title is dissolved or loses its accreditation, all records or copies of records concerning such person's activities under this title shall be transferred to the Secretary and made available to the applicable governing State official.

(d) AGREEMENT.—Any certifying agent shall enter into an agreement with the Secretary under which such agent shall—

(1) agree to carry out the provisions of this title; and

(2) agree to such other terms and conditions as the Secretary determines appropriate.

(e) PRIVATE CERTIFYING AGENT AGREEMENT.—Any certifying agent that is a private person shall, in addition to the agreement required in subsection (d)—

(1) agree to hold the Secretary harmless for any failure on the part of the certifying agent to carry out the provisions of this title; and

(2) furnish reasonable security, in an amount determined by the Secretary, for the purpose of protecting the rights of participants in the applicable organic certification program established under this title.

(f) COMPLIANCE WITH PROGRAM.—Any certifying agent shall fully comply with the terms and conditions of the applicable organic certification program implemented under this title.

(g) CONFIDENTIALITY.—Except as provided in section 2107(a)(9), any certifying agent shall maintain strict confidentiality with respect to its clients under the applicable organic certification program and may not disclose to third parties (with the exception of the Secretary or the applicable governing State official) any business related information concerning such client obtained while implementing this title.

(h) CONFLICT OF INTEREST.—Any certifying agent shall not—

(1) carry out any inspections of any operation in which such certifying agent, or employee of such certifying agent has, or has had, a commercial interest, including the provision of consultancy services;

(2) accept payment, gifts, or favors of any kind from the business inspected other than prescribed fees; or

(3) provide advice concerning organic practices or techniques for a fee, other than fees established under such program.

(i) ADMINISTRATOR.—A certifying agent that is a private person shall nominate the individual who controls the day-to-day operation of the agent.

(j) LOSS OF ACCREDITATION.—

(1) NONCOMPLIANCE.—If the Secretary or the governing State official (if applicable) determines that a certifying agent is not properly adhering to the provisions of this title, the Secretary or such governing State official may suspend such certifying agent's accreditation.

(2) EFFECT ON CERTIFIED OPERATIONS.—If the accreditation of a certifying agent is suspended under paragraph (1), the Secretary or the governing State official (if applicable) shall promptly determine whether farming or handling operations certified by certifying such agent may retain their organic certification.

SEC. 2117. PEER REVIEW OF CERTIFYING AGENTS.

(a) PEER REVIEW.—In determining whether to approve an application for accreditation submitted under section 2115, the Secretary shall consider a report concerning such applicant that shall be prepared by a peer review panel established under subsection (b).

(b) PEER REVIEW PANEL.—To assist the Secretary in evaluating applications under section 2115, the Secretary may establish a panel of not less than three persons who have expertise in organic farming and handling methods, to evaluate the State governing official or private person that is seeking accreditation as a certifying agent under such section. Not less than two members of such panel shall be persons who are not employees of the Department of Agriculture or of the applicable State government.

SEC. 2118. NATIONAL LIST.

(a) IN GENERAL.—The Secretary shall establish a National List of approved and prohibited substances that shall be included in the standards for organic production and handling established under this title in order for such products to be sold or labeled as organically produced under this title.

(b) CONTENT OF LIST.—The list established under subsection (a) shall contain an itemization, by specific use or application, of each synthetic substance permitted under subsection (c)(1) or each natural substance prohibited under subsection (c)(2).

(c) GUIDELINES FOR PROHIBITIONS OR EXEMPTIONS.—

(1) EXEMPTION FOR PROHIBITED SUBSTANCES.—The National List may provide for the use of substances in an organic farming or handling operation that are otherwise prohibited under this title only if—

(A) the Secretary determines, in consultation with the Secretary of Health and Human Services and the Administrator of the Environmental Protection Agency, that the use of such substances—

(i) would not be harmful to human health or the environment;

(ii) is necessary to the production or handling of the agricultural product because of the unavailability of wholly natural substitute products; and

(iii) is consistent with organic farming and handling;

(B) the substance—

(i) is used in production and contains an active synthetic ingredient in the following categories: copper and sulfur compounds; toxins derived from bacteria; pheromones, soaps, horticultural oils, fish emulsions, treated seed, vitamins and minerals; livestock paraciticides and medicines and production aids including netting, tree wraps and seals, insect traps, sticky barriers, row covers, and equipment cleansers;

(ii) is used in production and contains synthetic inert ingredients that are not classified by the Administrator of the Environmental Protection Agency as inerts of toxicological concern; or

(iii) is used in handling and is non-synthetic but is not organically produced; and

(C) the specific exemption is developed using the procedures described in subsection (d).

(2) PROHIBITION ON THE USE OF SPECIFIC NATURAL SUBSTANCES.—The National List may prohibit the use of specific natural substances in an organic farming or handling operation that are otherwise allowed under this title only if—

(A) the Secretary determines, in consultation with the Secretary of Health and Human Services and the Administrator of the Environmental Protection Agency, that the use of such substances—

(i) would be harmful to human health or the environment; and

(ii) is inconsistent with organic farming or handling, and the purposes of this title; and

(B) the specific prohibition is developed using the procedures specified in subsection (d).

(d) PROCEDURE FOR ESTABLISHING NATIONAL LIST.—

(1) IN GENERAL.—The National List established by the Secretary shall be based upon a proposed national list or proposed amendments to the National List developed by the National Organic Standards Board.

(2) NO ADDITIONS.—The Secretary may not include exemptions for the use of specific synthetic substances in the National List other than those exemptions contained in the Proposed National List or Proposed Amendments to the National List.

(3) PROHIBITED SUBSTANCES.—In no instance shall the National List include any substance, the presence of which in food has been prohibited by Federal regulatory action.

(4) NOTICE AND COMMENT.—Before establishing the National List or before making any amendments to the National List, the Secretary shall publish the Proposed National List or any Proposed Amendments to the National List in the Federal Register and seek public comment on such proposals. The Secretary shall include in such Notice any changes to such proposed list or amendments recommended by the Secretary.

(5) PUBLICATION OF NATIONAL LIST.—After evaluating all comments received concerning the Proposed National List or Proposed Amendments to the National List, the Secretary shall publish the final National List in the Federal Register, along with a discussion of comments received.

(e) SUNSET PROVISION.—No exemption or prohibition contained in the National List shall be valid unless the National Organic Standards Board has reviewed such exemption or prohibition as provided in this section within 5 years of such exemption or prohibition being adopted or reviewed and the Secretary has renewed such exemption or prohibition.

SEC. 2119. NATIONAL ORGANIC STANDARDS BOARD.

(a) IN GENERAL.—The Secretary shall establish a National Organic Standards Board (in accordance with the Federal Advisory Committee Act (5 U.S.C. App. 2 et seq.)) (hereafter referred to in this section as the "Board") (to assist in the development of standards for substances to be used in organic production and to advise the Secretary on any other aspects of the implementation of this title.

(b) COMPOSITION OF BOARD.—The Board shall be composed of 15 members, of which—

(1) four shall be individuals who own or operate an organic farming operation;

(2) two shall be individuals who own or operate an organic handling operation;

(3) one shall be an individual who owns or operates a retail establishment with significant trade in organic products;

(4) three shall be individuals with expertise in areas of environmental protection and resource conservation;

(5) three shall be individuals who represent public interest or consumer interest groups;

(6) one shall be an individual with expertise in the fields of toxicology, ecology, or biochemistry; and

(7) one shall be an individual who is a certifying agent as identified under section 2116.

(c) APPOINTMENT.—Not later than 180 days after the date of enactment of this title, the Secretary shall appoint the members of the Board under paragraph (1) through (6) of subsection (b) (and under subsection (b)(7) at an appropriate date after the certification of individuals as certifying agents under section 2116) from nominations received from organic certifying organizations, States, and other interested persons and organizations.

(d) TERM.—A member of the Board shall serve for a term of 5 years, except that the Secretary shall appoint the original members of the Board for staggered terms. A member cannot serve consecutive terms unless such member served an original term that was less than 5 years.

(e) MEETINGS.—The Secretary shall convene a meeting of the Board not later than 60 days after the appointment of its members and shall convene subsequent meetings on a periodic basis.

(f) COMPENSATION AND EXPENSES.—A member of the Board shall serve without compensation. While away from their homes or regular places of business on the business of the Board, members of the Board may be allowed travel expenses, including per diem in lieu of subsistence, as is authorized under section 5703 of title 5, United States Code, for persons employed intermittently in the Government service.

(g) CHAIRPERSON.—The Board shall select a Chairperson for the Board.

(h) QUORUM.—A majority of the members of the Board shall constitute a quorum for the purpose of conducting business.

(i) DECISIVE VOTES.—Two-thirds of the votes cast at a meeting of the Board at which a quorum is present shall be decisive of any motion.

(j) OTHER TERMS AND CONDITIONS.—The Secretary shall authorize the Board to hire a staff director and shall detail staff of the Department of Agriculture or allow for the hiring of staff and may, subject to necessary appropriations, pay necessary expenses incurred by such Board in carrying out the provisions of this title, as determined appropriate by the Secretary.

(k) RESPONSIBILITIES OF THE BOARD.—

(1) IN GENERAL.—The Board shall provide recommendations to the Secretary regarding the implementation of this title.

(2) NATIONAL LIST.—The Board shall develop the proposed National List or proposed amendments to the National List for submission to the Secretary in accordance with section 2118.

(3) TECHNICAL ADVISORY PANELS.—The Board shall convene technical advisory panels to provide scientific evaluation of the materials considered for inclusion in the National List. Such panels may include experts in agronomy, entomology, health sciences and other relevant disciplines.

(4) SPECIAL REVIEW OF BOTANICAL PESTICIDES.—The Board shall, prior to the establishment of the National List, review all botanical pesticides used in agricultural production and consid-

er whether any such botanical pesticide should be included in the list of prohibited natural substances.

(5) Product residue testing.—The Board shall advise the Secretary concerning the testing of organically produced agricultural products for residues caused by unavoidable residual environmental contamination.

(6) Emergency spray programs.—The Board shall advise the Secretary concerning rules for exemptions from specific requirements of this title (except the provisions of section 2112) with respect to agricultural products produced on certified organic farms if such farms are subject to a Federal or State emergency pest or disease treatment program.

(l) Requirements.—In establishing the proposed National List or proposed amendments to the National List, the Board shall—

(1) review available information from the Environmental Protection Agency, the National Institute of Environmental Health Studies, and such other sources as appropriate, concerning the potential for adverse human and environmental effects of substances considered for inclusion in the proposed National List;

(2) work with manufacturers of substances considered for inclusion in the proposed National List to obtain a complete list of ingredients and determine whether such substances contain inert materials that are synthetically produced; and

(3) submit to the Secretary, along with the proposed National List or any proposed amendments to such list, the results of the Board's evaluation and the evaluation of the technical advisory panel of all substances considered for inclusion in the National List.

(m) Evaluation.—In evaluating substances considered for inclusion in the proposed National List or proposed amendment to the National List, the Board shall consider—

(1) the potential of such substances for detrimental chemical interactions with other materials used in organic farming systems;

(2) the toxicity and mode of action of the substance and of its breakdown products or any contaminants, and their persistence and areas of concentration in the environment;

(3) the probability of environmental contamination during manufacture, use, misuse or disposal of such substance;

(4) the effect of the substance on human health;

(5) the effects of the substance on biological and chemical interactions in the agroecosystem, including the physiological effects of the substance on soil organisms (including the salt index and solubility of the soil), crops and livestock;

(6) the alternatives to using the substance in terms of practices or other available materials; and

(7) its compatibility with a system of sustainable agriculture.

(n) Petitions.—The Board shall establish procedures under which persons may petition the Board for the purpose of evaluating substances for inclusion on the National List.

(o) Confidentiality.—Any confidential business information obtained by the Board in carrying out this section shall not be released to the public.

SEC. 2120. VIOLATIONS OF TITLE.

(a) Misuse of Label.—Any person who knowingly sells or labels a product as organic, except in accordance with this title, shall be subject to a civil penalty of not more than $10,000.

(b) False Statement.—Any person who makes a false statement under this title to the Secretary, a governing State official, or a certifying agent shall be subject to the provisions of section 1001 of title 18, United States Code.

(c) Ineligibility.—

(1) In general.—Except as provided in paragraph (2), any person who—

(A) makes a false statement;

(B) attempts to have a label indicating that an agricultural product is organically produced affixed to such product that such person knows, or should have reason to know, to have been produced or handled in a manner that is not in accordance with this title; or

(C) otherwise violates the purposes of the applicable organic certification program as determined by the Secretary;

after notice and an opportunity to be heard, shall not be eligible, for a period of 5 years from the date of such occurrence, to receive certification under this title with respect to any farm or handling operation in which such person has an interest.

(2) Waiver.—Notwithstanding paragraph (1), the Secretary may reduce or eliminate the period of ineligibility referred to in such paragraph if the Secretary determines that such modification or waiver is in the best interests of the applicable organic certification program established under this title.

(d) Reporting of Violations.—A certifying agent shall immediately report any violations of this title to the Secretary or the governing State official (if applicable).

(e) Violations by Certifying Agent.—A certifying agent that is a private person that violates the provisions of this title or that falsely or negligently certifies any farming or handling operation that does not meet the terms and conditions of the applicable organic certification program as an organic operation, as determined by the Secretary or the governing State official (if applicable) shall, after notice and an opportunity to be heard—

(1) lose its accreditation as a certifying agent under this title; and

(2) be ineligible to be accredited as a certifying agent under this title for a period of not less than 3 years subsequent to the date of such determination.

(f) Effect of Other Laws.—Nothing in this title shall alter the authority of the Secretary under the Federal Meat Inspection Act (21 U.S.C. 601 et seq.) the Poultry Products Inspection Act (21 U.S.C. 451 et seq.), and the Egg Products Inspection Act (21 U.S.C. 1031 et seq.) concerning meat, poultry and egg products, nor any of the authorities of the Secretary of Health and Human Services under the Federal Food, Drug and Cosmetic Act (21 U.S.C. 301 et seq.), nor the authority of the Administrator of the Environmental Protection Agency under the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. 136 et seq.).

SEC. 2121. ADMINISTRATIVE APPEAL.

(a) EXPEDITED APPEALS PROCEDURE.—The Secretary shall establish an expedited administrative appeals procedure under which persons may appeal an action of the Secretary, the applicable governing State official, or a certifying agent under this title that—

(1) adversely affects such person; or

(2) is inconsistent with the organic certification program established under this title.

(b) APPEAL OF FINAL DECISION.—A final decision of the Secretary under subsection (a) may be appealed to the United States District Court for the District in which such person is located.

SEC. 2122. ADMINISTRATION.

(a) REGULATIONS.—Not later than 540 days after the date of enactment of this title, the Secretary shall issue proposed regulations to carry out this title.

(b) ASSISTANCE TO STATE.—

(1) TECHNICAL AND OTHER ASSISTANCE.—The Secretary shall provide technical, administrative, and Extension Service assistance to assist States in the implementation of an organic certification program under this title.

(2) FINANCIAL ASSISTANCE.—The Secretary may provide financial assistance to any State that implements an organic certification program under this title.

SEC. 2123. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for each fiscal year such sums as may be necessary to carry out this title.

TITLE XXII—CROP INSURANCE AND DISASTER ASSISTANCE

Subtitle A—Crop Insurance

SEC. 2201. SUBMISSION OF SOCIAL SECURITY ACCOUNT NUMBERS AND EMPLOYER IDENTIFICATION NUMBERS.

(a) SUBMISSION REQUIRED.—Section 506 of the Federal Crop Insurance Act (7 U.S.C. 1506) is amended by adding at the end the following new subsection:

"(l) SUBMISSION OF CERTAIN INFORMATION.—

"(1) SOCIAL SECURITY ACCOUNT AND EMPLOYER IDENTIFICATION NUMBERS.—The Corporation shall require, as a condition of eligibility for participation in the multiple peril crop insurance program, submission of social security account numbers, subject to the requirements of section 205(c)(2)(C)(iii) of the Social Security Act, and employer identification numbers, subject to the requirements of section 6109(f) of the Internal Revenue Code of 1986.

"(2) NOTIFICATION BY POLICYHOLDERS.—Each policyholder shall notify each individual or other entity that acquires or holds a substantial beneficial interest in such policyholder of the requirements and limitations under this title.

"(3) IDENTIFICATION OF HOLDERS OF SUBSTANTIAL INTERESTS.—The Manager of the Corporation may require each pol-

icyholder to provide to the Manager, at such times and in such manner as prescribed by the Manager, the name of each individual that holds or acquires a substantial beneficial interest in the policyholder.

"(4) DEFINITION.—For purposes of this subsection, the term 'substantial beneficial interest' means not less than 5 percent of all beneficial interests in the policyholder.".

(b) ACCESS BY FCIC TO SOCIAL SECURITY ACCOUNT NUMBERS.—Section 205(c)(2)(C) of the Social Security Act (42 U.S.C. 405(c)(2)(C)) is amended—

(1) by redesignating clauses (ii), (iii), and (iv) as clauses (iv), (v), and (vi), respectively;

(2) by redesignating subclauses (I) and (II) of clause (i) as clauses (i) and (ii), respectively; and

(3) by inserting after clause (ii) (as redesignated) the following new clause:

"(iii) In the administration of section 506 of the Federal Crop Insurance Act, the Federal Crop Insurance Corporation may require each policyholder and each reinsured company to furnish to the insurer or to the Corporation the social security account number of such policy holder, subject to the requirements of this clause. No officer or employee of the Federal Crop Insurance Corporation shall have access to any such number for any purpose other than the establishment of a system of records necessary for the effective administration of such Act. The Manager of the Corporation may require each policyholder to provide to the Manager, at such times and in such manner as prescribed by the Manager, the social security account number of each individual that holds or acquires a substantial beneficial interest in the policyholder. For purposes of this clause, the term 'substantial beneficial interest' means not less than 5 percent of all beneficial interest in the policyholder. The Secretary of Agriculture shall restrict, to the satisfaction of the Secretary of Health and Human Services, access to social security account numbers obtained pursuant to this clause only to officers and employees of the United States or authorized persons whose duties or responsibilities require access for the administration of the Federal Crop Insurance Act. The Secretary of Agriculture shall provide such other safeguards as the Secretary of Health and Human Services determines to be necessary or appropriate to protect the confidentiality of such social security account numbers. For purposes of this clause the term 'authorized person' means an officer or employee of an insurer whom the Manager of the Corporation designates by rule, subject to appropriate safeguards including a prohibition against the release of such social security account number (other than to the Corporation) by such person.".

(c) CONFIDENTIALITY OF SOCIAL SECURITY ACCOUNT NUMBERS.—Section 205(c)(2)(C) of the Social Security Act (42 U.S.C. 405(c)(2)(C)) (as amended by subsection (b)) is further amended by adding at the end thereof the following new clause:

"(vii)(I) Social security account numbers and related records that are obtained or maintained by authorized persons pursuant to any provision of law, enacted on or after October 1, 1990, shall be confidential, and no authorized person shall disclose any such social security account number or related record.

"(II) Paragraphs (1), (2), and (3) of section 7213(a) of the Internal Revenue Code of 1986 shall apply with respect to the unauthorized willful disclosure to any person of social security account numbers and related records obtained or maintained by an authorized person pursuant to a provision of law enacted on or after October 1, 1990, in the same manner and to the same extent as such paragraphs as such paragraphs apply with respect to unauthorized disclosures of returns and return information described in such paragraphs. Paragraph (4) of such 7213(a) of such Code shall apply with respect to the willful offer of any item of material value in exchange for any such social security account number or related record in the same manner and to the same extent as such paragraph applies with respect to offers (in exchange for any return or return information) described in such paragraph.

"(III) For purposes of this clause, the term 'authorized person' means an officer or employee of the United States, an officer or employee of any State, political subdivision of a State, or agency of a State or political subdivision of a State, and any other person (or officer or employee thereof), who has or had access to social security account numbers or related records pursuant to any provision of law enacted on or after October 1, 1990. For purposes of this subclause, the term 'officer or employee' includes a former officer or employee.

"(IV) For purposes of this clause, the term 'related record' means any record, list, or compilation that indicates, directly or indirectly, the identity of any individual with respect to whom a social security account number is maintained pursuant to this clause.".

(d) ACCESS BY FCIC TO EMPLOYER IDENTIFICATION NUMBERS.—Section 6109 of the Internal Revenue Code of 1986 (relating to identifying numbers) is amended by adding at the end thereof the following new subsection:

"(f) ACCESS TO EMPLOYER IDENTIFICATION NUMBERS BY FEDERAL CROP INSURANCE CORPORATION FOR PURPOSES OF THE FEDERAL CROP INSURANCE ACT.—

"(1) IN GENERAL.—In the administration of section 506 of the Federal Crop Insurance Act, the Federal Crop Insurance Corporation may require each policyholder and each reinsured company to furnish to the insurer or to the Corporation the employer identification number of such policy holder, subject to the requirements of this paragraph. No officer or employee of the Federal Crop Insurance Corporation, or authorized person shall have access to any such number for any purpose other than the establishment of a system of records necessary to the effective administration of such Act. The Manager of the Corporation may require each policyholder to provide to the Manager or authorized person, at such times and in such manner as prescribed by the Manager, the employer identification number of each entity that holds or acquires a substantial beneficial interest in the policyholder. For purposes of this subclause, the term 'substantial beneficial interest' means not less than 5 percent of all beneficial interest in the policyholder. The Secretary of Agriculture shall restrict, to the satisfaction of the Secretary of the Treasury, access to employer identification numbers obtained pursuant to this paragraph only to officers and employees of the United States or authorized persons whose duties or responsibil-

ities require access for the administration of the Federal Crop Insurance Act.

"(2) CONFIDENTIALITY AND NONDISCLOSURE RULES.—Employer identification numbers maintained by the Secretary of Agriculture or the Federal Crop Insurance Corporation pursuant to this subsection shall be confidential, and except as authorized by this subsection, no officer or employee of the United States or authorized person who has or had access to such employer identification numbers shall disclose any such employer identification number obtained thereby in any manner. For purposes of this paragraph, the term 'officer or employee' includes a former officer or employee. For purposes of this subsection, the term 'authorized person' means an officer or employee of an insurer whom the Manager of the Corporation designates by rule, subject to appropriate safeguards including a prohibition against the release of such social security account numbers (other than to the Corporations) by such person.

"(3) SANCTIONS.—Paragraphs (1), (2), and (3) of section 7213(a) shall apply with respect to the unauthorized willful disclosure to any person of employer identification numbers maintained by the Secretary of Agriculture or the Federal Crop Insurance Corporation pursuant to this subsection in the same manner and to the same extent as such paragraphs apply with respect to unauthorized disclosures of return and return information described in such paragraphs. Paragraph (4) of section 7213(a) shall apply with respect to the willful offer of any item of material value in exchange for any such employer identification number in the same manner and to the same extent as such paragraph applies with respect to offers (in exchange for any return or return information) described in such paragraph.".

SEC. 2202. PENALTIES FOR WILLFUL PROVISION OF FALSE OR INACCURATE INFORMATION.

(a) PENALTIES AUTHORIZED.—Section 506 of the Federal Crop Insurance Act (7 U.S.C. 1506), as amended by section 2201(a), is further amended by adding at the end the following new subsection:

"(m) PENALTIES.—

"(1) FALSE INFORMATION.—If a person wilfully and intentionally provides any false or inaccurate information to the Corporation or to any insurer with respect to an insurance plan or policy under this title, the Corporation may, after notice and an opportunity for a hearing on the record—

"(A) impose a civil fine of not to exceed to $10,000 on the person; and

"(B) disqualify the person from receiving any benefit under this title for a period of not to exceed 10 years.

"(2) ASSESSMENT OF PENALTY.—In assessing penalties under this subsection, the Corporation shall consider the gravity of the violation.".

(b) CONFORMING AND STYLISTIC AMENDMENTS.—Such section is further amended—

(1) by striking the section heading and all that follows through "The Corporation—" and inserting the following:

"SEC. 508. GENERAL POWERS.";

(2) by inserting "SUCCESSION.—The Corporation" in subsection (a) after "(a)";

(3) by inserting "CORPORATE SEAL.—The Corporation" in subsection (b) after "(b)";

(4) by inserting "PROPERTY.—The Corporation" in subsection (c) after "(c)";

(5) by inserting "SUIT.—The Corporation," in subsection (d) after "(d)";

(6) by inserting "BYLAWS AND REGULATIONS.—The Corporation" in subsection (e) after "(e)";

(7) by inserting "MAILS.—The Corporation" in subsection (f) after "(f)";

(8) by inserting "ASSISTANCE.—The Corporation," in subsection (g) after "(g)";

(9) by inserting "DATA COLLECTION.—The Corporation" in subsection (h) after "(h)";

(10) by inserting "EXPENDITURES.—The Corporation" in subsection (i) after "(i)";

(11) by inserting "OTHER POWERS.—The Corporation" in subsection (j) after "(j)";

(12) by inserting "CONTRACTS.—The Corporation" in subsection (k) after "(k)";

(13) by striking the semicolon at the end of subsections (a), (b), (c), (e), (f), (g), (h) and inserting a period at the end of each of those subsections; and

(14) by striking "; and" at the end of subsections (i) and (j) and inserting a period at the end of each of those subsections.

SEC. 2203. UNIFORM CLAIMS ADJUSTMENT AND REINSURANCE AGREEMENTS.

(a) CLAIMS ADJUSTMENT.—Section 508(c) of the Federal Crop Insurance Act (7 U.S.C. 1508(c)) is amended—

(1) by striking "To adjust and pay claims for losses" in the first sentence and inserting "CLAIMS FOR LOSSES.—The Corporation may adjust and pay claims for losses as provided under subsection (a)"; and

(2) by inserting after the first sentence the following new sentence: "The rules prescribed by the Board shall establish standards to ensure that all claims for losses are adjusted to the extent practicable in a uniform and timely manner.".

(b) REINSURANCE AGREEMENTS.—Section 508(e) of the Federal Crop Insurance Act (7 U.S.C. 1508(e)) is amended—

(1) by striking "And" and inserting "REINSURANCE.—The Corporation is"; and

(2) by adding at the end the following new sentence: "Beginning with the 1992 reinsurance year (July 1, 1991 through June 30, 1992), the Corporation shall revise its reinsurance agreements with the reinsured companies so as to require the reinsured companies to bear an increased share of any potential loss under such agreement, taking into consideration the financial conditions of the reinsured companies and the availability of private reinsurance.".

SEC. 2204. REVIEW OF POLICIES, ENSURING ACTUARIAL SOUNDNESS, AND INFORMATION COLLECTION.

(a) IN GENERAL.—Section 508 of the Federal Crop Insurance Act (7 U.S.C. 1508) is amended—

(1) by redesignating subsections (b) through (j) as subsections (e) through (m), respectively;

(2) by inserting after subsection (a) the following new subsections:

"(b) SUBMISSION OF POLICIES AND MATERIALS TO BOARD.—

"(1) IN GENERAL.—In addition to any standard forms or policies that the Board may require be made available to producers under subsection (a) persons may prepare for submission to the Board—

"(A) other crop insurance policies and provisions of policies; and

"(B) rates of premiums for multiple peril crop insurance pertaining to wheat, soybeans, field corn and any other crops determined by the Secretary.

"(2) PREPARATION OF POLICIES.—A policy or other material submitted to the Board under this subsection may be prepared without regard to the limitations contained in this title, including the requirements concerning the levels of coverage and rates, the use of Agricultural Stabilization and Conservation Service adjusted yields, and the requirement that a price level for each commodity insured must equal the projected market price for the commodity as established by the Board. Policies that establish insurance coverage based on alternative factors of loss such as the average loss rate for the area from a condition common to the area may be approved under this section. Such policy may only be subsidized at an amount equivalent to that which is authorized in this title.

"(3) REVIEW AND APPROVAL BY THE BOARD.—A policy or other material submitted to the Board under this subsection shall be reviewed by the Board and, if the Board finds that the interests of producers are adequately protected and that any premiums charged to such producers are actuarially appropriate, shall be approved by the Board for reinsurance and for sale to producers as an additional choice at actuarially appropriate rates and under appropriate terms and conditions taking into consideration the risks covered by the policy or other material. The Corporation may enter into more than one reinsurance agreement simultaneously to facilitate the offering of such new policies. Proposals made to the Board under this paragraph shall be considered as confidential commercial or financial information for purposes of section 552(b)(4) of title V, United States Code, until approved or disapproved by the Board. The Board shall provide an applicant with notification of intent to disapprove a proposal not later than 30 days prior to taking such action. An applicant so notified may modify such application and such modification shall be considered an extension of the original application.

"(4) REQUIRED PUBLICATION.—Any policies, provisions of policies, and rates approved under this subsection shall be published and made available to all persons contracting with or re-

insured by the Corporation in the same manner as the Corporation's standard policies of insurance are published and made available.

"(c) ACTUARIAL SOUNDNESS.—Not later than 180 days after the date of enactment of this subsection, the Corporation shall compile and make available, by region and by crop, the rates that would be necessary to achieve actuarial soundness.

"(d) ADOPTION OF RATES AND COVERAGES.—The Corporation shall adopt, as soon as practicable, rates and coverages that will improve the actuarial soundness of the insurance operations of the Corporation for those crops that are determined to be insured at rates that are not actuarially sound, except that no rate may be increased by an amount of more than 20 percent over the comparable rate of the preceding crop year."; and

(3) by adding at the end the following new subsection:

"(n) INFORMATION COLLECTION ON CROP INSURANCE.—

"(1) IN GENERAL.—The Corporation shall provide to the Secretary of Agriculture—

"(A) current and complete information on all aspects of Federal crop insurance for distribution to producers through local offices of the Department of Agriculture; and

"(B) a listing of agents for agent referral to producers through local offices of the Department of Agriculture.

"(2) USE OF INFORMATION.—The Secretary shall utilize the information provided under paragraph (1) to educate State executive directors of the Agricultural Stabilization and Conservation Service concerning such information to enable such directors to convey such information to local offices for distribution to local producers.".

(b) CONFORMING AND STYLISTIC AMENDMENTS.—Such section is further amended—

(1) by striking the section heading and all that follows through "authorized and empowered—" and inserting the following:

"SEC. 508. CROP INSURANCE.";

(2) in subsection (e) (as redesignated by subsection (a)(1)), by striking "(1) To" and inserting "PREMIUMS.—(1) The Corporation may";

(3) in subsection (g) (as redesignated by subsection (a)(1))—

(A) by striking "In" and inserting "SPECIAL RULE FOR COTTON.—In"; and

(B) by striking "to include" and inserting "the Corporation may include";

(4) in subsection (i) (as redesignated by subsection (a)(1)), by striking "To provide" and inserting "APPLICATION TO OTHER AREAS.—The Corporation may provide";

(5) in subsection (j) (as redesignated by subsection (a)(1)), by striking "To offer" and inserting "OPTIONAL COVERAGES.—The Corporation may offer";

(6) in subsection (k) (as redesignated by subsection (a)(1)), by striking "To include" and inserting "SPECIAL RULE FOR TIMBER AND FORESTS.—The Corporation may include";

(7) in subsection (l) (as redesignated by subsection (a)(1))—

(A) by striking "To conduct" and inserting "RESEARCH.—The Corporation may conduct"; and

(B) by striking the second and third sentences; and

(8) by striking subsection (m) (as redesignated by subsection (a)(1)) and inserting the following new subsection:

"(m) CROP INSURANCE FOR DRY EDIBLE BEANS.—The Corporation shall make available to producers of different types of dry edible beans crop insurance that meets the differentiated needs of such producers.".

SEC. 2205. ASCS YIELDS AND DOLLAR-DENOMINATED COVERAGE.

Section 508 of the Federal Crop Insurance Act (7 U.S.C. 1508(a)) is amended—

(1) in subsection (a)—

(A) by inserting "AUTHORITY TO OFFER INSURANCE.—(1)" after "(a)";

(B) by striking "to insure" in the first sentence, and inserting "the Corporation may insure";

(C) by striking "The Corporation" in the seventh sentence, and inserting in lieu thereof the following: "For any commodity for which the Agricultural Stabilization and Conservation Service has established for the farming unit involved an adjusted yield for the purposes of programs administered by such Service (or a yield for crop insurance purposes under the provisions of this title), and such yield is greater than the recorded or the appraised yield, as established by the Corporation, of a commodity on such farming unit, insurance coverage may be provided to cover against the loss in yield of the commodity on the basis of the adjusted yield for the commodity established by the Agricultural Stabilization and Conservation Service rather than the recorded or appraised yield as established by the Corporation. Such additional insurance shall be provided for an additional premium (for which no premium subsidy or administrative subsidy may be provided) set at such rate as the Board determines appropriate to reflect accurately the increased risk involved and that the Board determines actuarially sufficient to cover claims for losses on such insurance and to establish a reasonable reserve against unforeseen losses. Except as provided in the preceding two sentences, the Corporation"; and

(D) by adding at the end the following new sentences: "Beginning with the 1992 crop year, the Corporation shall establish a price level for each commodity on which insurance is offered that shall not be less than the projected market price for the commodity as determined by the Board. Insurance coverage shall be made available to the producer on the basis of any price election which equals or is less than that established by the Board and the coverage shall be quoted in terms of dollars per acre."; and

(2) by striking out subsection (k).

SEC. 2206. CONTRACTING WITH PRIVATE COMPANIES.

Section 507(c) of the Federal Crop Insurance Act (7 U.S.C. 1507(c)) is amended—

(1) by inserting after "private insurance companies" in paragraph (2) the following: "private rating bureaus, and other organizations as appropriate for actuarial, loss adjustment, and other services to avoid duplication by the Federal Government of services that are or may readily be available in the private sector,"; and

(2) by adding at the end the following new sentence: "Nothing in this subsection shall permit the Corporation to contract with other persons to carry out the responsibility of the Corporation to review and approve policies, rates, and other materials submitted under section 508(b).".

Subtitle B—Disaster Assistance

CHAPTER 1—1989 CROP CLARIFICATION

SEC. 2231. SUGARCANE DISASTER ASSISTANCE.

(a) DETERMINATION.—Section 103 of the Disaster Assistance Act of 1989 (7 U.S.C. 1421 note) is amended by adding at the end the following new subsection:

"(f) SPECIAL RULE FOR SUGARCANE.—For purposes of determining the total quantity of the 1989 crop of sugarcane that the producers on a farm are able to harvest, the Secretary shall make the determination based on the quantity of recoverable sugar.".

(b) DEADLINE.—Section 152(a)(2) of the Disaster Assistance Act of 1989 (7 U.S.C. 1421 note) is amended by adding at the end the following new sentence: "In the case of producers described in section 103(f), the Secretary shall permit the producers to apply for assistance no later than January 15, 1991, and shall, in the case of applications received prior to the date of enactment of the Food, Agriculture, Conservation, and Trade Act of 1990, recompute (in accordance with section 103(f)) the amount of any assistance due no later than 90 days after the date of enactment of such Act.".

SEC. 2232. VALENCIA ORANGES.

(a) ELIGIBILITY.—Section 104(a)(1)(A) of the Disaster Assistance Act of 1989 (7 U.S.C. 1421 note) is amended to read:

"(A) ELIGIBILITY.—Effective only for the 1989 crops of soybeans and nonprogram crops, and any crop of valencia oranges affected by a freeze, if the Secretary of Agriculture determines that, because of damaging weather or related condition in 1988 or 1989, or freeze, the total quantity of the 1989 crop of the commodity, or the total quantity of any crop of valencia oranges, that the producers on a farm are able to harvest is less than—".

(b) SPECIAL RULES.—Section 104(d)(1) of the Disaster Assistance Act of 1989 (7 U.S.C. 1421 note) is amended:

(1) by inserting after "(1) DEFINITION OF NONPROGRAM CROPS.—" a new subparagraph designation "(A)";

(2) by inserting after "earthquake" the following: "or grown in a county declared a Presidential disaster area, and shall include any valencia oranges, affected by a freeze, grown in a county declared a Presidential disaster area in 1989"; and

(3) by adding at the end a new subparagraph to read as follows:

"(B) For purposes of this Act, the term '1989 crop' shall include any crop of valencia oranges damaged by freeze in 1989.".

(c) EXCLUSIONS FROM HARVESTED QUANTITIES.—Section 104(a)(4) of that Act is amended by adding at the end the following new sentence: "For a crop of valencia oranges, the exclusion required by the preceding sentence shall be 100 percent.".

(d) APPLICATION OF AMENDMENTS.—Section 152(a) of the Disaster Assistance Act of 1989 is amended by adding at the end the following new paragraph:

"(3) EXTENDED APPLICATION PERIOD.—In the case of producers of valencia oranges affected by the amendments made to section 104(a) by section 2235 of the Food, Agriculture, Conservations, and Trade Act of 1990, the Secretary shall—

"(A) allow such producers to submit applications for payments under section 104 until January 15, 1991; and

"(B) in the case of applications submitted by such producers before the date of the enactment of that Act, recompute (not later than 90 days after such date) the payment to such producers under section 104 in light of those amendments.".

CHAPTER 2—OTHER ASSISTANCE

SEC. 2235. AMENDMENTS TO THE DISASTER ASSISTANCE ACT OF 1989.

(a) DOUBLE CROPPING OF NONPROGRAM CROPS GROWN IN A PRESIDENTIAL DISASTER AREA.—Section 104(a) of the Disaster Assistance Act of 1989 (7 U.S.C. 1421 note) is amended by adding at the end the following new paragraph:

"(5) DOUBLE CROPPING.—

"(A) TREATED SEPARATELY.—In the case of a 1989 nonprogram crop that is historically double cropped (including two crops of the same commodity) by the producers on a farm, the Secretary shall treat each cropping separately for purposes of determining under paragraph (1)—

"(i) whether the crop was affected by damaging weather or related conditions in 1989; and

"(ii) the total quantity of the crop that the producers are able to harvest.

"(B) APPLICATION OF PARAGRAPH.—This paragraph shall—

"(i) apply only in the case of a 1989 nonprogram crop that is grown in a county declared to be a Presidential disaster area for that crop; and

"(ii) not apply in the case of a replacement crop described in section 110.".

(b) HURRICANE HUGO FORESTRY ASSISTANCE ACT; COST-SHARE ASSISTANCE.—

(1) ESTABLISHMENT.—For the purposes of encouraging tree owners to reestablish stands of trees damaged by Hurricane Hugo, the Secretary of Agriculture (hereafter in this subsection referred to as the "Secretary") shall develop and implement a cost-share program to provide financial assistance to owners of private timber stands that were damaged, as determined by the Secretary, in 1989 by Hurricane Hugo. This assistance shall only be made available in those counties in South Carolina,

North Carolina, Virginia, Puerto Rico, and the United States Virgin Islands declared by the President to be disaster areas as a result of Hurricane Hugo and any county contiguous to those counties.

(2) ELIGIBLE PRACTICES.—*Practices eligible for cost-share assistance under this subsection are—*

(A) reforestation;

(B) site preparation; and

(C) such other timber stand reestablishment practices as may be prescribed by the Secretary.

(3) PRIVATE TIMBER STANDS.—

(A) DEFINITION.—*For the purpose of this subsection, the term "private timber stand" means a stand of trees damaged by Hurricane Hugo held continuously during the period described in paragraph (1) for commercial purposes by a private individual, group, association, corporation, Indian tribe or other native Indian group, or other legal entity, owning 1,000 acres or less of land planted to trees, except agencies of Federal, State, or local governments. Such term does not include a stand of trees transferred after the date on which such stand was damaged by Hurricane Hugo except for a stand of trees transferred by bequest, devise or inheritance, or acquired from a decedent by reason of death because of the form of ownership or other condition (including trees acquired through the exercise or nonexercise of a power of appointment).*

(B) PERIOD FOR PURPOSES OF SUBPARAGRAPH (A).—*The period referred to in subparagraph (A) is the period beginning on the date on which such trees were damaged by Hurricane Hugo and ending at the time the request is made for assistance under this subsection.*

(4) INDIVIDUAL FOREST MANAGEMENT PLANS.—*The Secretary may provide assistance under this subsection only after a management plan for the private timber stand has been developed by the holder of the stand in cooperation with, and approved by, the State forester or equivalent State official. Such management plan shall—*

(A) include provision for the replacement of the timber stand through reforestation by tree plantings or other means; and

(B) be the basis for an agreement between the holder and the Secretary under paragraph (5).

(5) COST SHARE.—*The Secretary shall enter into agreements to share the cost of implementing eligible practices set forth in the agreement with holders who agree to implement those eligible practices. The amount of the Federal cost-share (including labor) for an eligible practice shall be 75 percent of the total cost of implementing eligible practices. The Secretary may consider, in determining the total cost of implementing eligible practices, any revenues from the sale of timber from private timber stands.*

(6) DEADLINE.—*Requests for assistance under this subsection must be filed with the Secretary not later than December 31, 1993.*

(7) PAYMENT LIMITATION.—The total amount of payments that a person shall be entitled to receive under this subsection may not exceed $50,000. The Secretary shall issue regulations defining the term "person" which shall conform, to the extent practicable, to the regulations defining the term "person" issued under section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308).

(8) REGULATIONS.—The Secretary shall issue regulations to implement the provisions of this subsection as soon as practicable after the date on which appropriations are made available to carry out this subsection, without regard to the requirement for notice and public participation in rulemaking prescribed in section 553 of title 5, United States Code.

(c) AUTHORIZATION OF APPROPRIATIONS.—Any benefits or assistance provided under this section, or under the amendments made by this section to the Disaster Assistance Act of 1989, shall be provided only to the extent provided for in advance by appropriation acts. To carry out this section, and the amendments made by this section to the Disaster Assistance Act of 1989, there are hereby authorized to be appropriated for fiscal years 1991 through 1995 such sums as are necessary.

SEC. 2236. SUGARCANE.

(a) 1990 CROP.—Effective only for the 1990 crop of sugarcane, section 201(k)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446(k)(2)) is amended—

(1) by inserting "(A)" after the paragraph designation; and

(2) by adding at the end the following paragraph:

"(B)(i) If, because of frost, freeze, or related condition in 1989 constituting a major disaster or emergency declared by the President in the State of Louisiana under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), the total quantity of the 1990 crop of sugarcane that the producers are able to harvest on any farm is less than—

"(I) 60 percent of the county average yield, as determined by the Secretary, for the crop, multiplied by

"(II) the acreage planted for harvest to the crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 50 percent of the loan level for the crop for the deficiency in production greater than 60 percent for the crop.

"(ii) The Secretary shall ensure that no producer receives duplicative payments under this subparagraph.

"(iii) Any benefits or assistance provided for under this section shall be provided only to the extent provided for in advance in appropriations Acts. There are authorized to be appropriated such sums as may be necessary to carry out this subparagraph.".

CHAPTER 3—EMERGENCY CROP LOSS ASSISTANCE

Subchapter A—Annual Crops

SEC. 2241. PAYMENTS TO PROGRAM PARTICIPANTS FOR TARGET PRICE COMMODITIES.

(a) DISASTER PAYMENTS.—

(1) IN GENERAL.—Effective only for producers on a farm who elected to participate in the production adjustment program established under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) for the 1990 crop of wheat, feed grains, upland cotton, extra long staple cotton, or rice, except as otherwise provided in this subsection, if the Secretary of Agriculture determines that, because of damaging weather or related condition in 1989 or 1990, the total quantity of the 1990 crop of the commodity that such producers are able to harvest on the farm is less than the result of multiplying 60 percent (or, in the case of producers who obtained crop insurance for the 1990 crop of the commodity under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.), 65 percent) of the farm program payment yield established by the Secretary for such crop by the sum of the acreage planted for harvest and the acreage prevented from being planted (because of a natural disaster, as determined by the Secretary) for such crop, the Secretary shall make a disaster payment available to such producers at a rate equal to 65 percent of the established price for the crop for any deficiency in production greater than 40 percent (or, in the case of producers who obtained crop insurance for the 1990 crop of the commodity under the Federal Crop Insurance Act, 35 percent) for the crop.

(2) LIMITATIONS.—

(A) ACREAGE IN EXCESS OF PERMITTED ACREAGE.—Payments provided under paragraph (1) for a crop of a commodity may not be made available to producers on a farm with respect to any acreage in excess of the permitted acreage for the farm for the commodity.

(B) CROP INSURANCE.—Payments provided under paragraph (1) for a crop of a commodity may not be made available to producers on a farm unless such producers enter into an agreement to obtain multiperil crop insurance, to the extent required under section 2247.

(3) REDUCTION IN DEFICIENCY PAYMENTS.—The total quantity of a crop of a commodity on which deficiency payments otherwise would be payable to producers on a farm under the Agricultural Act of 1949 shall be reduced by the quantity on which a payment is made to the producers for the crop under paragraph (1).

(4) ELECTION OF PAYMENTS.—

(A) APPLICATION OF PARAGRAPH.—This paragraph shall apply, effective only for the 1990 crops of wheat, feed grains, upland cotton, and rice, to producers on a farm who—

(i) had failed wheat, feed grain, upland cotton, or rice acreage; or

(ii) were prevented from planting acreage to such commodity because of damaging weather or related condition in 1989 or 1990.

(B) ELECTION.—The Secretary of Agriculture shall (within 30 days after the date of enactment of this Act) permit producers referred to in subparagraph (A) to elect whether to receive disaster payments in accordance with this section in lieu of payments received under the Agricultural Act of 1949.

(b) ADVANCE DEFICIENCY PAYMENTS.—

(1) APPLICATION OF SUBSECTION.—This subsection shall apply only to producers on a farm who elected to participate in the production adjustment program established under the Agricultural Act of 1949 for the 1990 crop of wheat, feed grains, upland cotton, or rice.

(2) FORGIVENESS OF REFUND REQUIREMENT.—

(A) IN GENERAL.—Subject to subparagraph (B), if because of damaging weather or related condition in 1989 or 1990 the total quantity of the 1990 crop of the commodity that the producers are able to harvest on the farm is less than the result of multiplying the farm program payment yield established by the Secretary for such crop by the sum of the acreage planted for harvest and the acreage prevented from being planted (because of a natural disaster, as determined by the Secretary) for such crop (hereinafter in this section referred to as the "qualifying amount"), the producers shall not be required to refund any advance deficiency payment made to the producers for such crop under section 107C of the Agricultural Act of 1949 (7 U.S.C. 1445b–2) with respect to that portion of the deficiency in production that does not exceed—

(i) in the case of producers who obtained crop insurance for the 1990 crop of the commodity under the Federal Crop Insurance Act, 35 percent of the qualifying amount; and

(ii) in the case of other producers, 40 percent of the qualifying amount.

(B) CROP INSURANCE.—Producers on a farm shall not be eligible for the forgiveness provided for under subparagraph (A), unless such producers enter into an agreement to obtain multiperil crop insurance, to the extent required under section 2247.

(3) ELECTION FOR NONRECIPIENTS.—The Secretary shall allow producers on a farm who elected, prior to the date of enactment of this Act, not to receive advance deficiency payments made available for the 1990 crop under section 107C of the Agricultural Act of 1949, to elect (within 30 days after the date of the enactment of this Act) whether to receive such advance deficiency payments.

(4) DATE OF REFUND FOR PAYMENTS.—Effective only for the 1990 crops of wheat, feed grains, upland cotton, and rice, if the Secretary determines that any portion of the advance deficiency payment made to producers for the crop under section 107C of the Agricultural Act of 1949 must be refunded, such refund

shall not be required prior to July 31, 1991, for that portion of the crop for which a disaster payment is made under subsection (a).

SEC. 2242. PAYMENTS TO PROGRAM NONPARTICIPANTS FOR TARGET PRICE COMMODITIES.

(a) DISASTER PAYMENTS.—

(1) IN GENERAL.—Effective only for producers on a farm who elected not to participate in the production adjustment program established under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) for the 1990 crop of wheat, feed grains, upland cotton, extra long staple cotton, or rice, if the Secretary of Agriculture determines that because of damaging weather or related condition in 1989 or 1990, the total quantity of the 1990 crop of the commodity that such producers are able to harvest on the farm is less than the result of multiplying 40 percent (or in the case of producers who obtained crop insurance, 35 percent) of the county average yield established by the Secretary for such crop by the sum of acreage planted for harvest and the acreage for which prevented planted credit is approved by the Secretary for such crop under subsection (b), the Secretary shall make a disaster payment available to such producers.

(2) PAYMENT RATE.—The payment shall be made to the producers at a rate equal to 65 percent of the basic county loan rate (or a comparable price if there is no current basic county loan rate) for the crop, as determined by the Secretary, for any deficiency in production greater than 40 percent for the crop (or in the case of producers who obtained crop insurance, 35 percent).

(b) PREVENTED PLANTING CREDIT.—

(1) IN GENERAL.—The Secretary shall provide prevented planting credit under subsection (a) with respect to acreage that producers on a farm were prevented from planting to the 1990 crop of the commodity for harvest because of damaging weather or related condition in 1989 or 1990, as determined by the Secretary.

(2) MAXIMUM ACREAGE.—Such acreage may not exceed the greater of—

(A) a quantity equal to the acreage on the farm planted (or prevented from being planted due to a natural disaster or other condition beyond the control of the producers) to the commodity for harvest in 1989 minus acreage actually planted to the commodity for harvest in 1990; or

(B) a quantity equal to the average of the acreage on the farm planted (or prevented from being planted due to a natural disaster or other condition beyond the control of the producers) to the commodity for harvest in 1987, 1988, and 1989 minus acreage actually planted to the commodity for harvest in 1990.

(3) ADJUSTMENTS.—The Secretary shall make appropriate adjustments in applying the limitations contained in paragraph (2) to take into account crop rotation practices of the producers.

(c) LIMITATIONS.—

(1) ACREAGE LIMITATION PROGRAM.—The amount of payments made available to producers on a farm for a crop of a commodi-

ty under subsection (a) shall be reduced by a factor equivalent to the acreage limitation program percentage established for such crop under the Agricultural Act of 1949.

(2) CROP INSURANCE.—Payments provided under subsection (a) for a crop of a commodity may not be made available to the producers on a farm unless such producers enter into an agreement to obtain multiperil crop insurance, to the extent required under section 2247.

SEC. 2243. PEANUTS, SUGAR, AND TOBACCO.

(a) DISASTER PAYMENTS.—

(1) IN GENERAL.—Effective only for the 1990 crops of peanuts, sugar beets, sugarcane, and tobacco, if the Secretary of Agriculture determines that, because of damaging weather or related condition in 1989 or 1990, the total quantity of the 1990 crop of the commodity that the producers on a farm are able to harvest is less than the result of multiplying 60 percent (or, in the case of producers who obtained crop insurance for the 1990 crop of the commodity under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.), 65 percent) of the county average yield (or program yield, in the case of peanuts) established by the Secretary for such crop by the sum of the acreage planted for harvest and the acreage for which prevented planted credit is approved by the Secretary for such crop under subsection (b), the Secretary shall make a disaster payment available to such producers.

(2) PAYMENT RATE.—The payment shall be made to the producers at a rate equal to 65 percent of the applicable payment level under paragraph (3), as determined by the Secretary, for any deficiency in production greater than—

(A) in the case of producers who obtained crop insurance for the 1990 crop of the commodity under the Federal Crop Insurance Act—

(i) 35 percent for the crop; or

(ii) with respect to a crop of burley tobacco or flue-cured tobacco, 35 percent of the farm's effective marketing quota for 1990; and

(B) in the case of producers who did not obtain crop insurance for the 1990 crop of the commodity under the Federal Crop Insurance Act—

(i) 40 percent for the crop; or

(ii) with respect to a crop of burley tobacco or flue-cured tobacco, 40 percent of the farm's effective marketing quota for 1990.

(3) PAYMENT LEVEL.—For purposes of paragraph (1), the payment level for a commodity shall be equal to—

(A) for peanuts, the price support level for quota peanuts or the price support level for additional peanuts, as applicable;

(B) for tobacco, the national average loan rate for the type of tobacco involved, or (if there is none) the market price, as determined under section 2244(a)(2); and

(C) for sugar beets and sugarcane, a level determined by the Secretary to be fair and reasonable in relation to the level of price support established for the 1990 crops of sugar

beets and sugarcane, and that, insofar as is practicable, shall reflect no less return to the producer than under the 1990 price support levels.

(b) PREVENTED PLANTING CREDIT.—

(1) IN GENERAL.—The Secretary shall provide prevented planting credit under subsection (a) with respect to acreage that producers on a farm were prevented from planting to the 1990 crop of the commodity for harvest because of damaging weather or related condition in 1989 or 1990, as determined by the Secretary.

(2) MAXIMUM ACREAGE.—Such acreage may not exceed the greater of—

(A) a quantity equal to the acreage on the farm planted (or prevented from being planted due to a natural disaster or other condition beyond the control of the producers) to the commodity for harvest in 1989 minus acreage actually planted to harvest in 1990; or

(B) a quantity equal to the average of the acreage on the farm planted (or prevented from being planted due to a natural disaster or other condition beyond the control of the producers) to the commodity for harvest in 1987, 1988, and 1989 minus acreage actually planted to the commodity for harvest in 1990.

(3) ADJUSTMENTS.—The Secretary shall make appropriate adjustments in applying the limitations contained in paragraph (2) to take into account crop rotation practices of the producers and any change in quotas for the 1990 crops of tobacco.

(c) LIMITATION.—Payments provided under subsection (a) for a crop of a commodity may not be made available to the producers on a farm unless such producers enter into an agreement to obtain multiperil crop insurance, to the extent required under section 2247.

(d) SPECIAL RULES FOR PEANUTS.—Notwithstanding any other provision of law—

(1) a deficiency in production of quota peanuts from a farm, as otherwise determined under this section, shall be reduced by the quantity of peanut poundage quota that was the basis of such anticipated production that has been transferred from the farm;

(2) payments made under this section shall be made taking into account whether the deficiency for which the deficiency in production is claimed was a deficiency in production of quota or additional peanuts and the payment rate shall be established accordingly; and

(3) the quantity of undermarketings of quota peanuts from a farm for the 1990 crop that may otherwise be claimed under section 358 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358) for purposes of future quota increases shall be reduced by the quantity of the deficiency of production of such peanuts for which payment has been received under this section.

(e) SPECIAL RULES FOR TOBACCO.—Notwithstanding any other provision of law—

(1) the quantity of undermarketings of quota tobacco from a farm for the 1990 crop that may otherwise be claimed under section 317 or 319 of the Agricultural Adjustment Act of 1938 (7

U.S.C. 1314c or 1314e) for purposes of future quota increases shall be reduced by the quantity of the deficiency of production of such tobacco for which payment has been received under this section; and

(2) disaster payments made to producers under this section may not be considered by the Secretary in determining the net losses of the Commodity Credit Corporation under section 106A(d) of the Agricultural Act of 1949 (7 U.S.C. 1445-1(d)).

(f) SPECIAL RULE FOR SUGARCANE.—For purposes of determining the total quantity of the 1990 crop of sugarcane that the producers on a farm are able to harvest, the Secretary shall make the determination based on the quantity of recoverable sugar.

SEC. 2244. SOYBEANS AND NONPROGRAM CROPS.

(a) DISASTER PAYMENTS.—

(1) IN GENERAL.—

(A) ELIGIBILITY.—Effective only for the 1990 crops of soybeans and nonprogram crops, to the extent that assistance was not made available under the Disaster Assistance Act of 1989 for a producer's losses, if the Secretary of Agriculture determines that, because of damaging weather or related condition in 1989 or 1990, the total quantity of the 1990 crop of the commodity that the producers on a farm are able to harvest is less than—

(i) with respect to soybeans and sunflowers, the result of multiplying 60 percent (or in the case of producers who obtained crop insurance, if available, for the 1990 crop year of the commodity under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.), 65 percent) of the State, area, or county yield, adjusted for adverse weather conditions during the 1987, 1988, and 1989 crop years, as determined by the Secretary, for such crop by the sum of the acreage planted for harvest and the acreage for which prevented planting credit is approved by the Secretary for such crop under subsection (b);

(ii) with respect to nonprogram crops (other than as provided in clauses (i) and (iii)), the result of multiplying 60 percent (or in the case of producers who obtained crop insurance, if available, for the 1990 crop year of the commodity under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.), 65 percent) of the yield established by the Commodity Credit Corporation under subsection (d)(2) for such crop by the sum of the acreage planted for harvest and the acreage for which prevented planting credit is approved by the Secretary for such crop under subsection (b); and

(iii) with respect to crops covered in section 201(b) of the Agricultural Act of 1949 (7 U.S.C. 1446(b)), 60 percent (or in the case of producers who obtained crop insurance, if available, for the 1990 crop year of the commodity under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.), 65 percent) of the historical annual yield of the producers for such crops, as determined by the Secretary,

the Secretary shall make a disaster payment available to such producers.

(B) PAYMENT RATE.—The payment shall be made to such producers at a rate equal to 65 percent of the applicable payment level under paragraph (2), as determined by the Secretary, for any deficiency in production greater than 40 percent for soybeans, sunflowers and for other nonprogram crops for the crop, except that in the case of producers who obtained crop insurance, if available, for the 1990 crop under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.), 35.

(2) PAYMENT LEVEL.—For purposes of paragraph (1), the payment level for a commodity shall equal the simple average price received by producers of the commodity, as determined by the Secretary subject to paragraph (3), during the marketing years for the immediately preceding 5 crops of the commodity, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period.

(3) CALCULATION OF PAYMENTS FOR DIFFERENT VARIETIES.—

(A) CROP-BY-CROP BASIS.—The Secretary shall make disaster payments under this subsection on a crop-by-crop basis, with consideration given to markets and uses of the crops, under regulations issued by the Secretary.

(B) DIFFERENT VARIETIES.—For purposes of determining the payment levels on a crop-by-crop basis, the Secretary shall consider as separate crops, and develop separate payment levels insofar as is practicable for, different varieties of the same commodity, and commodities for which there is a significant difference in the economic value in the market.

(C) DOUBLE CROPPING.—

(i) TREATED SEPARATELY.—In the case of a crop that is historically double cropped (including two crops of the same commodity) by the producers on a farm, the Secretary shall treat each cropping separately for purposes of determining whether the crop was affected by damaging weather or related conditions and the total quantity of the crop that the producers are able to harvest.

(ii) APPLICATION OF PARAGRAPH.—This paragraph shall not apply in the case of a replacement crop.

(4) EXCLUSIONS FROM HARVESTED QUANTITIES.—For purposes of determining the total quantity of the 1990 nonprogram crop of the commodity that the producers on a farm are able to harvest under paragraph (1), the Secretary shall exclude—

(A) commodities that cannot be sold in normal commercial channels of trade; and

(B) dockage, including husks and shells, if such dockage is excluded in determining yields under subsection (d)(2).

(b) PREVENTED PLANTING CREDIT.—

(1) IN GENERAL.—The Secretary shall provide prevented planting credit under subsection (a) with respect to acreage that producers on a farm were prevented from planting to the 1990 crop of the commodity for harvest because of damaging weather or

related condition in 1989 or 1990, as determined by the Secretary.

(2) MAXIMUM ACREAGE.—Such acreage may not exceed the greater of—

(A) a quantity equal to the acreage on the farm planted (or prevented from being planted due to a natural disaster or other condition beyond the control of the producers) to the commodity for harvest in 1989 minus acreage actually planted for harvest in 1990; or

(B) a quantity equal to the average of the acreage on the farm planted (or prevented from being planted due to a natural disaster or other condition beyond the control of the producers) to the commodity for harvest in 1987, 1988, and 1989 minus acreage actually planted to the commodity for harvest in 1990.

(3) ADJUSTMENTS.—The Secretary shall make appropriate adjustments in applying the limitations contained in paragraph (2) to take into account crop rotation practices of the producers.

(c) LIMITATION.—Payments provided under subsection (a) for a crop of a commodity may not be made available to the producers on a farm unless such producers enter into an agreement to obtain multiperil crop insurance, to the extent required under section 2247.

(d) SPECIAL RULES FOR NONPROGRAM CROPS.—

(1) DEFINITION OF NONPROGRAM CROP.—As used in this section, the term "nonprogram crop" means all crops for which crop insurance through the Federal Crop Insurance Corporation was available for crop year 1990, and other commercial crops (including ornamentals which shall include flowering shrubs, flowering trees, and field or container grown roses or turf and sweet potatoes for which such insurance was not available for crop year 1990), except that such term shall not include a crop covered under section 2241, 2242, or 2243, soybeans, or sunflowers.

(2) FARM YIELDS.—

(A) ESTABLISHMENT.—The Commodity Credit Corporation shall establish disaster program farm yields for nonprogram crops to carry out this section.

(B) PROVEN YIELDS AVAILABLE.—If the producers on a farm can provide satisfactory evidence to the Commodity Credit Corporation of actual crop yields on the farm for at least 1 of the immediately preceding 3 crop years, the yield for the farm shall be based on such proven yield.

(C) PROVEN YIELDS NOT AVAILABLE.—If such data do not exist for any of the 3 preceding crop years, the Commodity Credit Corporation shall establish a yield for the farm by using a county average yield for the commodity, or by using other data available to it.

(D) COUNTY AVERAGE YIELDS.—In establishing county average yields for nonprogram crops, the Commodity Credit Corporation shall use the best available information concerning yields. Such information may include extension service records, credible nongovernmental studies, and yields in similar counties.

(3) Responsibility of producers.—It shall be the responsibility of the producers of nonprogram crops to provide satisfactory evidence of 1990 crop losses resulting from damaging weather or related condition in 1989 or 1990 in order for such producers to obtain disaster payments under this section.

SEC. 2245. CROP QUALITY REDUCTION DISASTER PAYMENTS.

(a) In General.—To ensure that all producers of 1990 crops covered under sections 2241 through 2244 are treated equitably, the Secretary of Agriculture may make additional disaster payments to producers of such crops who suffer losses resulting from the reduced quality of such crops caused by damaging weather or related condition in 1989 or 1990, as determined by the Secretary.

(b) Eligible Producers.—If the Secretary determines to make crop quality disaster payments available to producers under subsection (a), producers on a farm of a crop described in subsection (a) shall be eligible to receive reduced quality disaster payments only if such producers incur a deficiency in production of not less than 35 percent and not more than 75 percent for such crop (as determined under section 2241, 2242, 2243, or 2244, as appropriate).

(c) Maximum Payment Rate.—The Secretary shall establish the reduced quality disaster payment rate, except that such rate shall not exceed 10 percent, as determined by the Secretary, of—

(1) the established price for the crop, for commodities covered under section 2241;

(2) the basic county loan rate for the crop (or a comparable price if there is no current basic county loan rate), for commodities covered under section 2242;

(3) the payment level under section 2243(a)(3), for commodities covered by section 2243; and

(4) the payment level under section 2244(a)(2), for commodities covered under section 2244.

(d) Determination of Payment.—The amount of payment to a producer under this section shall be determined by multiplying the payment rate established under subsection (c) by the portion of the actual harvested crop on the producer's farm that is reduced in quality by such natural disaster in 1989 or 1990, as determined by the Secretary.

SEC. 2246. EFFECT OF FEDERAL CROP INSURANCE PAYMENTS.

In the case of producers on a farm who obtained crop insurance for the 1990 crop of a commodity under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.), the Secretary of Agriculture shall reduce the amount of payments made available under this chapter for such crop to the extent that the amount determined by adding the net amount of crop insurance indemnity payment (gross indemnity less premium paid) received by such producers for the deficiency in the production of the crop and the disaster payment determined in accordance with this chapter for such crop exceeds the amount determined by multiplying—

(1) 100 percent of the yield used for the calculation of disaster payments made under this chapter for such crop; by

(2) the sum of the acreage of such crop planted to harvest and the acreage for which prevented planting credit is approved by the Secretary (or, in the case of disaster payments under section

2241, the eligible acreage established under sections 2241(a)(1) and 2241(a)(2)(A)); by

(3)(A) in the case of producers who participated in a production adjustment program for the 1990 crop of wheat, feed grains, upland cotton, extra long staple cotton, or rice, the established price for the 1990 crop of the commodity;

(B) in the case of producers who did not participate in a production adjustment program for the 1990 crop of wheat, feed grains, upland cotton, extra long staple cotton, or rice, the basic county loan rate (or a comparable price, as determined by the Secretary, if there is no current basic county loan rate) for the 1990 crop of the commodity;

(C) in the case of producers of sugar beets, sugarcane, peanuts, or tobacco, the payment level for the commodity established under section 2243(a)(3); and

(D) in the case of producers of soybeans or a nonprogram crop (as defined in section 2244(d)(1)), the simple average price received by producers of the commodity, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of the commodity, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period.

SEC. 2247. CROP INSURANCE COVERAGE FOR THE 1991 CROPS.

(a) REQUIREMENT.—Subject to the limitations under subsection (b), producers on a farm, to be eligible to receive a disaster payment under this chapter, an emergency loan under subtitle C of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961 et seq.) for crop losses due to damaging weather or related condition in 1989 or 1990, or forgiveness of the repayment of advance deficiency payments under section 2241(b), must agree to obtain multiperil crop insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) for the 1991 crop of the commodity for which such payments, loans, or forgiveness are sought.

(b) LIMITATIONS.—Producers on a farm shall not be required to agree to obtain crop insurance under subsection (a) for a commodity—

(1) unless such producers' deficiency in production, with respect to the crop for which a disaster payment under this chapter otherwise may be made, exceeds 65 percent;

(2) where, or if, crop insurance coverage is not available to the producers for the commodity for which the payment, loan, or forgiveness is sought;

(3) if the producers' annual premium rate for such crop insurance is an amount greater than 125 percent of the average premium rate for insurance on that commodity for the 1990 crop in the county in which the producers are located;

(4) in any case in which the producers' annual premium for such crop insurance is an amount greater than 25 percent of the amount of the payment, loan, or forgiveness sought; or

(5) if the producers can establish by appeal to the county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590(b)), or to the county committee established under section 332 of the Consolidated

Farm and Rural Development Act (17 U.S.C. 1982), as appropriate, that the purchase of crop insurance would impose an undue financial hardship on such producers and that a ~~waiver~~ of the requirement to obtain crop insurance should, in the discretion of the county committee, be granted.

(c) IMPLEMENTATION.—

(1) COUNTY COMMITTEES.—The Secretary of Agriculture shall ensure (acting through the county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act and located in the counties in which the assistance programs provided for under sections 2241 through 2245 are implemented and through the county committees established under section 332 of the Consolidated Farm and Rural Development Act in counties in which emergency loans, as described in subsection (a), are made available) that producers who apply for assistance, as described in subsection (a), obtain multiperil crop insurance as required under this section.

(2) OTHER SOURCES.—Each producer who is subject to the requirements of this section may comply with such requirements by providing evidence of multiperil crop insurance coverage from sources other than through the county committee office, as approved by the Secretary.

(3) COMMISSIONS.—The Secretary shall provide by regulation for a reduction in the commissions paid to private insurance agents, brokers, or companies on crop insurance contracts entered into under this section sufficient to reflect that such insurance contracts principally involve only a servicing function to be performed by the agent, broker, or company.

(d) REPAYMENT OF BENEFITS.—Notwithstanding any other provision of law, if (prior to the end of the 1991 crop year for the commodity involved) the crop insurance coverage required of the producer under this section is canceled by the producer, the producer—

(1) shall make immediate repayment to the Secretary of any disaster payment or forgiven advance deficiency payment that the producer otherwise is required to repay; and

(2) shall become immediately liable for full repayment of all principal and interest outstanding on any emergency loan described in subsection (a) made subject to this section.

SEC. 2248. CROPS HARVESTED FOR FORAGE USES.

Not later than 45 days after funds are appropriated to carry out this chapter, the Secretary of Agriculture shall announce the terms and conditions by which producers on a farm may establish a 1990 yield with respect to crops that will be harvested for silage and other forage uses.

SEC. 2249. PAYMENT LIMITATIONS.

(a) LIMITATION.—Subject to subsections (b) and (c), the total amount of payments that a person shall be entitled to receive under one or more of the programs established under this chapter may not exceed $100,000.

(b) NO DOUBLE BENEFITS.—No person may receive disaster payments under this chapter to the extent that such person receives a livestock emergency benefit for lost feed production in 1990 under section 606 of the Agricultural Act of 1949 (7 U.S.C. 1471d).

(c) Combined Limitation.—

(1) In general.—No person may receive any payment under this chapter or benefit under title VI of the Agricultural Act of 1949 (7 U.S.C. 1471 et seq.) for livestock emergency losses suffered in 1990 if such payment or benefit will cause the combined total amount of such payments and benefits received by such person to exceed $100,000.

(2) Election.—If a producer is subject to paragraph (1), the person may elect (subject to the benefits limitations under section 609 of the Agricultural Act of 1949 (7 U.S.C. 1471g) whether to receive the $100,000 in such payments, or such livestock emergency benefits (not to exceed $50,000), or a combination of payments and benefits specified by the person.

(d) Regulations.—The Secretary of Agriculture shall issue regulations—

(1) defining the term "person" for the purposes of this section and section 2266, which shall conform, to the extent practicable, to the regulations defining the term "person" issued under section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308); and

(2) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitations established under this section.

SEC. 2250. SUBSTITUTION OF CROP INSURANCE PROGRAM YIELDS.

(a) In General.—Notwithstanding any other provision of this chapter, the Secretary of Agriculture may permit each eligible producer (as defined in subsection (d)) of a 1990 crop of a commodity who has obtained multiperil crop insurance for such crop (or, as provided in subsection (c), who obtained multiperil crop insurance for the producer's 1989 crop of such commodity) under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) to substitute, at the discretion of the producer, the crop insurance yield for such crop, as established under such Act, for the farm yield otherwise assigned to the producer under this chapter, for the purposes of determining such producer's eligibility for a disaster payment on the 1990 crop under this chapter and the amount of such payment.

(b) Adjustment of Advanced Deficiency Payments.—

(1) In general.—Notwithstanding any other provision of this chapter, if an eligible producer of wheat, feed grains, cotton, or rice elects to substitute yields for such producer's 1990 crop under subsection (a), the producer's eligibility for a waiver or repayment of an advance deficiency payment on such crop under this chapter shall be adjusted as provided in paragraph (2).

(2) Amount.—The amount of production of such crop on which the producer otherwise would be eligible for waiver of repayment of advance deficiency payments under this chapter shall be reduced by an amount of production equal to the difference between—

(A) the amount of production eligible for disaster payments under this chapter using a substituted yield under this section; and

(B) the amount of production that would have been eligible for disaster payments using the farm program payment yield otherwise assigned to the producer under this chapter.

(c) Multiperil Crop Insurance Not Available.—A producer may use the crop insurance yield for the producer's 1989 crop of a commodity for purposes of substituting yields under subsection (a) if the producer demonstrates to the Secretary that, through no fault of the producer, multiperil crop insurance under the Federal Crop Insurance Act was not made available to the producer for the producer's 1990 crop of the commodity.

(d) Definition of Eligible Producer.—For purposes of this section, the term "eligible producer" means a producer of the 1990 crop of wheat, feed grains, upland cotton, extra long staple cotton, rice, or soybeans.

SEC. 2251. DEFINITIONS.

As used in this chapter:

(1) Damaging weather.—The term "damaging weather" includes but is not limited to drought, hail, excessive moisture, freeze, tornado, hurricane, earthquake, or excessive wind, or any combination thereof.

(2) Related condition.—The term "related condition" includes but is not limited to insect infestations, plant diseases, or other deterioration of a crop of a commodity, including aflatoxin, that is accelerated or exacerbated naturally as a result of damaging weather occurring prior to or during harvest.

Subchapter B—Orchards

SEC. 2255. ELIGIBILITY.

(a) Loss.—Subject to the limitation in subsection (b), the Secretary of Agriculture shall provide assistance, as specified in section 2256, to eligible orchardists that planted trees for commercial purposes but lost such trees as a result of freeze, earthquake, or related condition in 1990, as determined by the Secretary.

(b) Limitation.—An eligible orchardist shall qualify for assistance under subsection (a) only if such orchardist's tree mortality, as a result of the natural disaster, exceeds 35 percent (adjusted for normal mortality).

SEC. 2256. ASSISTANCE.

The assistance provided by the Secretary of Agriculture to eligible orchardists for losses described in section 2255 shall consist of either—

(1) reimbursement of 65 percent of the cost of replanting trees lost due to freeze, earthquake, or related condition in 1990 in excess of 35 percent mortality (adjusted for normal mortality); or

(2) at the discretion of the Secretary, sufficient seedlings to reestablish the stand.

SEC. 2257. LIMITATION ON ASSISTANCE.

(a) Limitation.—The total amount of payments that a person shall be entitled to receive under this chapter may not exceed $25,000, or an equivalent value in tree seedlings.

(b) *Regulations.—The Secretary of Agriculture shall issue regulations—*

(1) defining the term "person" for the purposes of this chapter, which shall conform, to the extent practicable, to the regulations defining the term "person" issued under section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) and the Disaster Assistance Act of 1988 (7 U.S.C. 1421 note); and

(2) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitation established under this section.

SEC. 2258. DEFINITION.

As used in this chapter, the term "eligible orchardist" means a person who produces annual crops from trees for commercial purposes and owns 500 acres or less of such trees.

SEC. 2259. DUPLICATIVE PAYMENTS.

The Secretary of Agriculture shall establish guidelines to ensure that no person receives duplicative payments under this chapter and the forestry incentives program, agricultural conservation program, or other Federal program.

Subchapter C—Forest Crops

SEC. 2261. ELIGIBILITY.

(a) Loss.—Subject to the limitation in subsection (b), the Secretary of Agriculture shall provide assistance, as specified in section 2262, to eligible tree farmers that planted tree seedlings in 1989 or 1990 for commercial purposes but lost such seedlings as a result of drought, earthquake, or related condition in 1990, as determined by the Secretary.

(b) Limitation.—An eligible tree farmer shall qualify for assistance under subsection (a) only if such tree farmer's tree seedling mortality, as a result of the natural disaster, exceeds 35 percent (adjusted for normal mortality).

SEC. 2262. ASSISTANCE.

The assistance provided by the Secretary of Agriculture to eligible tree farmers for losses described in section 2261 shall consist of either—

(1) reimbursement of 65 percent of the cost of replanting seedlings lost due to drought, earthquake, or related conditions in 1990 in excess of 35 percent mortality (adjusted for normal mortality); or

(2) at the discretion of the Secretary, sufficient tree seedlings to reestablish the stand.

SEC. 2263. LIMITATION ON ASSISTANCE.

(a) Limitation.—The total amount of payments that a person shall be entitled to receive under this chapter may not exceed $25,000, or an equivalent value in tree seedlings.

(b) Regulations.—The Secretary of Agriculture shall issue regulations—

(1) defining the term "person" for the purposes of this chapter, which shall conform, to the extent practicable, to the regulations defining the term "person" issued under section 1001 of

the Food Security Act of 1985 and the Disaster Assistance Act of 1988; and

(2) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitation established under this section.

SEC. 2264. DEFINITION.

As used in this chapter, the term "eligible tree farmer" means a person who grows trees for harvest for commercial purposes and owns 1,000 acres or less of such trees.

SEC. 2265. DUPLICATIVE PAYMENTS.

The Secretary of Agriculture shall establish guidelines to ensure that no person receives duplicative payments under this chapter and the forestry incentives program, agricultural conservation program, or other Federal program.

Subchapter D—Administrative Provisions

SEC. 2266. INELIGIBILITY.

(a) General Rule.—A person who has qualifying gross revenues in excess of $2,000,000 annually, as determined by the Secretary of Agriculture, shall not be eligible to receive any disaster payment or other benefits under this subchapter.

(b) Qualifying Gross Revenues.—For purposes of this section, the term "qualifying gross revenues" means—

(1) if a majority of the person's annual income is received from farming, ranching, and forestry operations, the gross revenue from the person's farming, ranching, and forestry operations; and

(2) if less than a majority of the person's annual income is received from farming, ranching, and forestry operations, the person's gross revenue from all sources.

SEC. 2267. TIMING AND MANNER OF ASSISTANCE.

(a) Timing of Assistance.—

(1) Assistance made available as soon as practicable.—Subject to paragraph (2), the Secretary of Agriculture shall make disaster assistance available under this subchapter as soon as practicable after the date on which appropriations are made available to carry out this chapter.

(2) Completed application.—No payment or benefit provided under this subchapter shall be payable or due until such time as a completed application for a crop of a commodity therefor has been approved.

(b) Manner.—The Secretary may make payments available under chapter 1 in the form of cash, commodities, or commodity certificates, as determined by the Secretary.

SEC. 2268. COMMODITY CREDIT CORPORATION.

(a) Use.—The Secretary of Agriculture shall use the funds, facilities, and authorities of the Commodity Credit Corporation in carrying out this chapter.

(b) Existing Authority.—The authority provided by this subchapter shall be in addition to, and not in place of, any authority

granted to the Secretary or the Commodity Credit Corporation under any other provision of law.

SEC. 2269. EMERGENCY LOANS.

Section 321(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981(b)) shall not apply to persons who otherwise would be eligible for an emergency loan under subtitle C of such Act, if such eligibility is the result of damage to an annual crop planted for harvest in 1988.

SEC. 2270. REGULATIONS.

The Secretary of Agriculture or the Commodity Credit Corporation, as appropriate, shall issue regulations to implement this chapter as soon as practicable after the date on which appropriations are made available to carry out this chapter, without regard to the requirement for notice and public participation in rule making prescribed in section 553 of title 5, United States Code, or in any directive of the Secretary.

Subchapter E—Appropriations

SEC. 2271. AUTHORIZATION OF APPROPRIATIONS.

Any benefits or assistance (including the foregiveness of unearned advanced deficiency payments of any emergency loans) made available under this chapter shall be provided only to the extent provided for in advance in appropriations Acts. To carry out this chapter there are authorized to be appropriated such sums as may be necessary in each of the fiscal years 1991 and 1992.

SEC. 2272. PRORATION OF BENEFITS.

Any funds made available for carrying out this chapter in appropriations Acts shall be prorated to all producers eligible for assistance under this chapter.

CHAPTER 4—ASSISTANCE FOR BIG HORN RIVER DRAINAGE SYSTEM

SEC. 2275. DISASTER ASSISTANCE TO PRODUCERS ON THE BIG HORN RIVER DRAINAGE SYSTEM LOCATED ON THE WIND RIVER INDIAN RESERVATION.

(a) In General.—Effective only for providers on a farm who suffered losses due to drought induced by a lack of water as a result of Indian Tribal water rights adjudication affecting producers on that portion of the Big Horn River drainage system located on the Wind River Indian Reservation, Wyoming, for the 1990 crop of wheat, barley, oats, grass hay, and alfalfa hay, subject to subsection (b), the Secretary of Agriculture shall make disaster assistance available to such producers under similar terms and conditions as are prescribed under titles I and III of the Disaster Assistance Act of 1989 (7 U.S.C. 1421 note, 1961 note, and 1941 note) for providing disaster assistance to producers for the 1989 crop of the commodity, except that the assistance shall be limited to a total amount of $250,000.

(b) Administration.—Titles I and III of the Disaster Assistance Act of 1989 shall apply to assistance provided under this section, except that for purposes of providing assistance under this section—

(1) terms and conditions of programs established for a crop referred to in subsection (a) shall apply to such assistance, includ-

ing crop years, production adjustment programs, yields, acreage bases, established prices, advance deficiency payments, loan rates, crop insurance indemnities, and livestock emergency benefits;

(2) producers shall not be required to obtain multiperil crop insurance, as a condition of obtaining assistance under this section;

(3) in section 101(b)(4), for purposes of this section only—

(A) "1990 crops" shall be substituted for "1989 crops"; and

(B) "July 31, 1991" shall be substituted for "July 31, 1990";

(4) in section 102(b)(2)(A), for purposes of this section only "1989 minus acreage actually planted to the commodity for harvest in 1990" shall be substituted for "1988 minus acreage actually planted to the commodity for harvest in 1989";

(5) in section 102(b)(2)(B), for purposes of this section "1987, 1988, and 1989, minus acreage actually planted to the commodity for harvest 1989" shall be substituted for "1986, 1987, and 1988 minus acreage actually planted to the commodity for harvest in 1989"; and

(6) in section 152(a)(2), for purposes of this section "180 days after the date of enactment of the Food, Agriculture, Conservation, and Trade Act of 1990" shall be substituted for "March 31, 1990".

(c) DEFERRAL ON REPAYMENTS.—The producers on a farm as specified in subsection (a) may elect, at the producer's option, to request and receive a 12-month deferral on payments of principal and interest due on (farm loans) insured or underwritten by the appropriate agency of the United States. The request for deferral shall be made in writing to the administrator of the applicable farm loan program and must be sent by certified mail to the nearest regional office. Written requests for deferral under subsection (c) shall be made within 60 days of the date of enactment of this Act.

Subtitle C—Miscellaneous Provisions

SEC. 2281. EMERGENCY GRANTS TO ASSIST LOW-INCOME MIGRANT AND SEASONAL FARMWORKERS.

(a) IN GENERAL.—The Secretary of Agriculture may make grants, not to exceed $20,000,000 annually, to public agencies or private organizations with tax exempt status under section 501(c)(3) of the Internal Revenue Code of 1986, that have experience in providing emergency services to low-income migrant and seasonal farmworkers where the Secretary determines that a local, State or national emergency or disaster has caused low-income migrant or seasonal farmworkers to lose income, to be unable to work, or to stay home or return home in anticipation of work shortages. Emergency services to be provided with assistance received under this section may include such types of assistance as the Secretary of Agriculture determines to be necessary and appropriate.

(b) DEFINITION.—For the purposes of this section, the term "low-income migrant or seasonal farmworker" means an individual—

(1) who has, during any consecutive 12 month period within the preceding 24 month period, performed farm work for wages;

(2) who has received not less than one-half of such individual's total income, or been employed at least one-half of total work time in farm work; and

(3) whose annual family income within the 12 month period referred to in paragraph (1) does not exceed the higher of the poverty level or 70 percent of the lower living standard income level.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

TITLE XXIII—RURAL DEVELOPMENT

SEC. 2301. SHORT TITLE.

This title may be cited as the "Rural Economic Development Act of 1990".

Subtitle A—Reorganization of the Department of Agriculture

SEC. 2302. RURAL DEVELOPMENT ADMINISTRATION.

(a) AMENDMENTS TO THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT.—The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) is amended—

(1) by adding after the sections added thereto by subtitle A of title XVIII of this Act the following new section:

"SEC. 364. RURAL DEVELOPMENT ADMINISTRATION.

"(a) ESTABLISHMENT.—There is established in the Department of Agriculture the Rural Development Administration, which shall be headed by an Administrator appointed by the Secretary.

"(b) ADMINISTRATION.—Except as provided in subsection (c), or as otherwise provided in this section, the Secretary shall carry out this Act through the Farmers Home Administration.

"(c) EXCEPTIONS.—The Secretary shall carry out section 303 (in the case of loans made for purposes specified in paragraphs (2) and (3) of section 303(a)), section 304(b), section 306(a), section 306B, section 310A, section 310B, section 312(a) (in the case of loans made for the purposes specified in paragraphs (5) and (6) of section 312(a)), section 1323 of the Food Security Act of 1985 (7 U.S.C. 1932 note), title VI of the Rural Development Act of 1972, and such other rural development programs as the Secretary determines appropriate through the Rural Development Administration.

"(d) REFERENCES.—Any reference in any law, regulation, or order in effect immediately before the date of enactment of this section to the Farmers Home Administration or to the Administrator of the Farmers Home Administration or of the Farmers Home Administration relating to any function, power, or duty that is, on or after such date, a function, power, or duty of the Rural Development Administration or the Administrator of the Rural Development Administra-

tion, shall be deemed to be a reference to the Rural Development Administration or to the Administrator of the Rural Development Administration, as the case may be.

"(e) EFFECT ON PENDING PROCEEDINGS AND PARTIES TO SUCH PROCEEDINGS.—

"(1) NONABATEMENT OF ACTIONS.—This section does not abate any proceeding commenced—

"(A) by or against any entity any function of which is transferred by this section; or

"(B) by or against any officer of any entity referred to in subparagraph (A) in the official capacity of such individual as such an officer.

"(2) EFFECT ON PARTIES.—If an officer of the Farmers Home Administration, in the official capacity of such officer, is a party to a proceeding pending on the date of enactment of this section, and under this section the officer or any function of the officer is transferred to the Rural Development Administration, Department of Agriculture, then such action shall be continued with the Secretary or the Administrator, Rural Development Administration, or other appropriate officer of the Department substituted or added as a party.

"(3) TRANSFER OF CERTAIN RIGHTS OF FARMERS HOME ADMINISTRATION TO RURAL DEVELOPMENT ADMINISTRATION.—The rights, interests, obligations, and duties of the Farmers Home Administration arising before the date of enactment of this section from any loan made, insured, or guaranteed, or any grant or contract made, by the Farmers Home Administration in the exercise of its functions shall—

"(A) with respect to any function to be exercised on or after such date by the Farmers Home Administration under subsection (b), continue to be vested in the Farmers Home Administration; and

"(B) with respect to any function to be exercised on or after such date by the Rural Development Administration under subsection (c), be vested in the Rural Development Administration.

"(f) COMPENSATION OF ADMINISTRATOR.—The Administrator of the Rural Development Administration shall be compensated in accordance with subchapter VIII of chapter 53 of title 5, United States Code."; and

(2) in section 309(e)—

(A) by inserting "and the Rural Development Administration, in proportion to such charges collected in connection with the insurance of loans by such agency" after "Farmers Home Administration"; and

(B) by striking "expenses." and inserting "expenses for such agency.".

(b) FACILITATION OF TRANSFER OF FUNCTIONS.—(1) Notwithstanding the provisions of section 331 of the Consolidated Farm and Rural Development Act, as soon as practicable, but in no case later than 180 days after the date of enactment of this section, the Secretary shall transfer to the Rural Development Administration the powers, duties, and assets of the agencies, offices, and other entities in the Department of Agriculture, or elements thereof, related to the

performance of rural development functions, including, but not limited to, the agencies, offices, and other entities in the Department of Agriculture, or elements thereof, that administer sections 303 (in the case of loans made for purposes specified in paragraphs (2) and (3) of subsection (a) of section 303), 304(b), 306(a), 306B, 310A, 310B, and section 312(a) (in the case of loans made for the purposes specified in paragraphs (5) and (6) of section 312(a)) of the Consolidated Farm and Rural Development Act, section 1323 of the Food Security Act of 1985 (7 U.S.C. 1932 note), title VI of the Rural Development Act of 1972, and such other rural development programs as the Secretary determines appropriate.

(2) INCIDENTAL TRANSFERS.—The Secretary shall make such determinations, and shall transfer such personnel from the Farmers Home Administration, as may be necessary or appropriate with regard to the functions transferred to the Rural Development Administration under this section or the amendments made by this section. The Secretary shall also make such additional incidental dispositions of personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available, or to be made available in connection with the functions transferred by this section or the amendments made by this section, as the Secretary may deem necessary to accomplish the purposes of this section.

(3) EFFECTIVE AND EFFICIENT TRANSFER OF AUTHORITY.—The Administrator of the Farmers Home Administration and the Secretary shall take whatever steps are necessary to assure the effective and efficient transfer of authority as provided for in this section.

SEC. 2303. CONFORMING AMENDMENTS.

(a) Section 331 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981) is amended—

(1) in the first sentence—

(A) by striking "For the purposes of this title and" and inserting "In accordance with section 359, for purposes of this title, and"; and

(B) by inserting before the period ", or may assign and transfer such powers, duties, and assets to the Rural Development Administration as provided by law for that office";

(2) in subsection (d), by inserting "or the Rural Development Administration" after "Farmers Home Administration"; and

(3) in subsection (h) (as so redesignated by section 1805 of this Act), by inserting "Rural Development Administration under this title or by the" before "Farmers Home Administration" each place such term appears.

(b) Section 331A of such Act (7 U.S.C. 1981a) is amended by inserting "or by the Rural Development Administration" immediately after "Farmers Home Administration".

(c) Section 335 of such Act (7 U.S.C. 1985) is amended—

(1) in subsection (a), by inserting "or the Rural Development Administration" after "Farmers Home Administration"; and

(2) in subsection (c)(1), by inserting "or the Rural Development Administration" after "Farmers Home Administration".

(d) Section 338(a) of such Act (7 U.S.C. 1988(a)) is amended by inserting "or the Rural Development Administration" after "Farmers Home Administration".

(e) Sections 657, 658, 1006, and 1014 of title 18, United States Code, are each amended by striking "Farmers' Home Administration" and inserting "Farmers Home Administration, the Rural Development Administration".

(f)(1) Section 623(c)(2) of the Community Economic Development Act of 1981 (42 U.S.C. 9812(c)(2)) is amended by inserting ", or the Rural Development Administration" after "Farmers Home Administration".

(2) Section 628 of such Act (42 U.S.C. 9817) is amended—

(A) by amending the heading to read as follows:

"DEPARTMENT OF AGRICULTURE; RURAL DEVELOPMENT ADMINISTRATION PROGRAMS"; and

(B) by inserting ", or of the Rural Development Administration" after "of the Farmers Home Administration".

Subtitle B—Coordination of Rural Development Efforts

CHAPTER 1—GENERAL PROVISIONS

SEC. 2310. GENERAL PROVISIONS.

(a) APPLICATION FOR PARTICIPATION.—If a State desires to participate in the program established in chapter 2 of this subtitle or the program established in sections 365 and 366 of the Consolidated Farm and Rural Development Act (as added by chapter 3 of this subtitle), the Governor of the State may submit to the Secretary of Agriculture (in this section referred to as the "Secretary") an application therefor.

(b) SELECTION OF STATES.—

(1) RURAL INVESTMENT PARTNERSHIPS.—The Secretary shall select not more than 5 States to which to make chapter 2 applicable during any particular period, to the extent of qualifying applications therefor.

(2) RURAL ECONOMIC DEVELOPMENT REVIEW PANELS.—The Secretary shall select not more than 5 States to which to make sections 365 and 366 of the Consolidated Farm and Rural Development Act applicable during any particular period, to the extent of qualifying applications therefor.

(c) DURATION OF PROJECTS.—

(1) RURAL INVESTMENT PARTNERSHIPS.—Chapter 2 shall apply to any State selected by the Secretary under subsection (b)(1) until September 30, 1996.

(2) RURAL ECONOMIC DEVELOPMENT REVIEW PANELS.—Chapter 3 shall apply to any State selected by the Secretary under subsection (b)(2) until September 30, 1996.

(d) EFFECTIVE DATE.—Chapter 2 of this subtitle and sections 365, 366, 367, and 368(b) of the Consolidated Farm and Rural Development Act (as added by chapter 3 of this subtitle) shall take effect on October 1, 1991.

CHAPTER 2—RURAL INVESTMENT PARTNERSHIPS

SEC. 2311. DEFINITIONS.

As used in this chapter:

(1) Approved local business.—The term "approved local business" means a local business that is approved to receive assistance from the revolving fund of an eligible entity as provided under the provisions of this chapter.

(2) Eligible entity.—The term "eligible entity" means an entity—

(A) that is—

(i) a nonprofit private corporation or a public entity that is—

(I) the governing body of each public regional organization (such as the governing body of an economic development district) that is chartered or otherwise organized under State law for the purpose of promoting economic development;

(II) the agency of each State that is primarily responsible for rural economic development programs within the State;

(III) the governing body of a county or other political subdivision of a State;

(IV) the governing body of a town or township within a State; or

(V) an incorporated public organization or a nonprofit private community development corporation, or similar nonprofit private organization, that is chartered or otherwise organized under State law for the purpose of promoting economic development; or

(ii) an Indian tribe (as defined in section 4(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), an Indian organization or entity chartered under the Act of June 18, 1934 (25 U.S.C. 1001 et seq.), commonly known as the "Indian Reorganization Act", or any tribal organization (as defined in the section 4(c) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(c))); and

(B) that—

(i) possesses the powers reasonably necessary to perform the functions and activities described in this chapter;

(ii) has a professional staff and management ability (including adequate accounting, legal, and business servicing abilities or experience); and

(iii) meets any other requirements established by the Board to carry out this chapter.

(3) Investment board.—The terms "Investment Board" and "Board" mean the Rural Partnerships Investment Board established in section 2312(a).

(4) Local business.—The term "local business" means—

(A) a business concern, located in a rural area, that—

(i) is incorporated or otherwise organized under State law so that financial records and accounts are maintained regarding the business concern separate and apart from records and accounts not related to that business concern; and

(ii) is independently or cooperatively (not including borrowers under the Rural Electrification Act of 1936) owned and operated as defined by the Board; or

(B) an individual who plans to organize and operate an entity of the type described in subparagraph (A),

that meets any additional requirements that are established by the Board to carry out the intent of this Act.

(5) Rural area.—The term "rural area" means all territory of a State that is not within the outer boundary of any city or town having a population of 20,000 or more based on the latest decennial census of the United States, and any neighboring urbanized area as defined by the Board.

(6) Rural fund.—The terms "Rural Fund" and "Fund" mean the Rural Business Investment Fund established under section 2313(a).

(7) Secretary.—The term "Secretary" means the Secretary of Agriculture, unless otherwise specified in this chapter.

(8) State.—The term "State" means any State to which the Secretary has made this chapter applicable under section 2310(b)(1).

SEC. 2312. RURAL PARTNERSHIPS INVESTMENT BOARD.

(a) Establishment.—There is established a "Rural Partnerships Investment Board" to provide lines of credit to eligible entities to enable such entities to establish, maintain, or expand revolving funds that are used to make or guarantee loans, or to make capital investments in new or expanding local businesses in conjunction with loans or investments made by depository institutions (as defined in section 3(c)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1813(c)(1)), State owned banks whose deposits are backed by the full faith and credit of the State, or community development credit unions chartered by the National Credit Union Administration under the Federal Credit Union Act (12 U.S.C. 1751 et seq.).

(b) Board of Directors.—

(1) In general.—The Board of Directors of the Investment Board shall consist of—

(A) the Administrator of the Rural Electrification Administration;

(B) the Administrator of the Rural Development Administration;

(C) the Administrator of the Extension Service of the Department of Agriculture; and

(D) two members who shall be—

(i) experienced in rural development and related matters;

(ii) appointed by the President with the advice and consent of the Senate; and

(iii) from different political parties.

(2) CHAIRPERSON.—The Chairperson of the Board shall be the Administrator of the Rural Development Administration.

(3) VACANCIES.—Vacancies on the Board shall be filled in the same manner as the vacant position was previously filled.

(4) CHIEF EXECUTIVE OFFICER.—A chief executive officer shall be selected by the Board and shall serve at the pleasure of the Board.

(5) QUORUM.—A quorum shall consist of three members of the Board. All decisions made by the Board shall require an affirmative vote of a majority of the members.

(6) COMPENSATION.—Members of the Board—

(A) specified under subparagraphs (A), (B), and (C) of paragraph (1) shall receive reasonable allowances for necessary expenses of travel, lodging, and subsistence incurred in attending meetings and other activities of the Investment Board, as set forth in the bylaws issued by the Board of Directors, except that such level shall not exceed the maximum fixed by subchapter 1 of chapter 57 of title 5, United States Code, for officers and employees of the United States; and

(B) appointed under subparagraph (D) of paragraph (1) shall receive compensation for the time devoted to meetings and other activities at a daily rate not to exceed the daily rate of compensation prescribed for level III of the Executive Schedule under section 5314 of title 5, United States Code, and reasonable allowances for necessary expenses of travel, lodging, and subsistence incurred in attending meetings and other activities of the Investment Board, as set forth in the bylaws issued by the Board of Directors, except that such level shall not exceed the maximum fixed by subchapter 1 of chapter 57 of title 5, United States Code, for officers and employees of the United States.

(7) RULES AND RECORDS.—The Board shall adopt such rules and procedures as it may consider appropriate for the transaction of the business of the Investment Board, and shall keep permanent and accurate records and minutes of its acts and proceedings.

(c) POWERS OF THE INVESTMENT BOARD.—The Investment Board shall be a body corporate that shall have the power to—

(1) operate under the direction of its Board;

(2) adopt, alter, and use a corporate seal, which shall be judicially noted;

(3) provide for one or more officers, employees, and agents, as may be necessary, define their duties, and require surety bonds or make other provisions against losses occasioned by acts of such persons;

(4) hire, promote, compensate, and discharge officers and employees of the Investment Board, without regard to title 5, United States Code, except that no such officer or employee shall receive an annual rate of basic pay in excess of the rate prescribed for level III of the Executive Schedule under section 5314 of title 5, United States Code;

(5) prescribe by its Board its bylaws, that shall be consistent with law, and that shall provide for the manner in which—

(A) its officers, employees, and agents are to be selected;

(B) its property is to be acquired, held, and transferred;

(C) its general operations are to be conducted; and

(D) the privileges granted by law are to be exercised and enjoyed;

(6) with the consent of any executive department or independent agency, use the information, services, staff, and facilities of such in carrying out this chapter;

(7) enter into contracts and make advance, progress, or other payments with respect to such contracts;

(8) sue and be sued in its corporate name, and complain and defend in courts of competent jurisdiction;

(9) acquire, hold, lease, mortgage, or dispose of, at public or private sale, real and personal property, and otherwise exercise all the usual incidents of ownership of property necessary and convenient to its operations;

(10) modify or consent to the modification of any contract or agreement to which it is a party or in which it has an interest under this chapter;

(11) make such rules and regulations as the Board determines necessary and appropriate to carry out the authority vested in the Board under this chapter;

(12) procure the temporary (not in excess of 2 years) or intermittent services of experts or consultants or organizations thereof, without regard to the civil service and classification laws and without regard to section 5 of title 41, at rates not to exceed the daily equivalent of the highest rate payable under section 5332 of title 5, United States Code, including traveltime, and while such individual is away from the home or regular place of business of such individual, travel expenses as authorized under section 5703 of title 5, United States Code; and

(13) exercise other powers as set forth in this chapter, and such other incidental powers as are necessary to carry out its powers, duties, and functions in accordance with this chapter.

SEC. 2313. ESTABLISHMENT OF INVESTMENT FUND.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—There is established in the Treasury of the United States a fund for the use of the Board in carrying out the provisions of this chapter, that shall be known as the "Rural Business Investment Fund".

(2) AVAILABILITY.—The Fund established under paragraph (1) shall be available to the Board to provide lines of credit for revolving funds to be operated by approved eligible entities to serve local businesses in rural areas.

(b) USE.—

(1) LINES OF CREDIT.—Amounts in the fund established by subsection (a) shall be used by the Board to provide lines of credit in amounts determined appropriate by the Board, but in no event shall any such line of credit exceed $750,000 annually (up to a total amount of $2,250,000) to an approved eligible entity. Each line of credit shall be made available over a period of time established by the Board for each such entity, but in no event shall any such period of time extend beyond the date on

which the Investment Board is terminated under section 2314(n).

(2) Exception.—Notwithstanding paragraph (1), if the approved eligible entity is the agency of any State that is primarily responsible for the rural economic development programs within such State, the Board may provide a line of credit to such agency in an amount that shall not exceed $1,250,000 annually (up to a total amount of $3,750,000) in the manner described in paragraph (1).

(3) Amounts drawn from line.—Amounts drawn from each line of credit by each approved eligible entity shall be used solely as provided under this chapter and shall be drawn only as needed to provide loans, investments, or to carry out a guarantee.

(c) Applications of Eligible Entities for Lines of Credit.—

(1) Federal register notices.—The Board shall publish notices of solicitations for applications for lines of credit in the Federal Register and such notices shall contain—

(A) the application procedures established by the Board;

(B) the application requirements of paragraph (3);

(C) the deadlines for submission of applications (which shall be not less than 150 days after the publication of the applicable notice);

(D) a copy of all available response forms;

(E) a summary of the functions of the Board regarding applications; and

(F) other information determined appropriate by the Board.

(2) Submission and consideration.—An eligible entity that desires to receive a line of credit under this chapter shall submit an application to the Board at such time, in such form, and containing such information and documentation, including a description of the areas to be served, as the Board shall prescribe under paragraph (1), and the Board shall consider each such application based on the requirements of this chapter.

(3) Eligible entity.—

(A) Matching funds or letters of intent.—In order for an application to be considered for approval by the Board for a line of credit, each eligible entity that submits an application shall—

(i) certify in writing that the entity shall use such funds as part of a revolving fund to invest in, and make or guarantee loans to, local businesses in accordance with this chapter; and

(ii)(I) agree to provide matching funds (Federal funds shall not be used to satisfy such matching requirement) in amounts that are at least equal to the amount of the line of credit to be provided by the Board, that shall be in the form of—

(aa) cash or cash equivalents; or

(bb) letters of credit in favor of the eligible entity issued or submitted by depository institutions (as defined in section 3(c)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1813(c)(1)), insurance compa-

nies, similar Federally regulated financial institutions, State owned banks, local or State government or private philanthrophic foundations, as determined appropriate and acceptable by the Board; or

(II) demonstrate, through procedures determined appropriate and acceptable by the Board, that depository institutions (as so defined) or community development credit unions described in section 2312(a) of this Act, are prepared to participate with the eligible entity in a loan, guarantee, or investment program for the benefit of local businesses, and that the total financial commitment demonstrated by the letters of intent or other documents is at least equal to the value of the line of credit for which the eligible entity is applying.

(B) EXCEPTION FOR CERTAIN ELIGIBLE ENTITIES.—

(i) LOW PER CAPITA INCOME AREAS.—If the average per capita income level of the identified rural areas served by an eligible entity is less than 70 percent of the national average per capita income for the most recent year for which such information is available, such eligible entity shall only be required to match 50 percent of the funds provided by the Board in the same manner as described in subclause (I) or (II) of subparagraph (A)(ii). A list of the average per capita income and population of each county in the United States that contains rural areas, and the national average per capita income for such year, shall be published in the Federal Register and otherwise made available by the Board to the public.

(ii) INDIAN TRIBAL COUNCIL PARTICIPATION.—

(I) IN GENERAL.—Community or tribal development corporations operated by Federally recognized tribal councils that desire to administer a local revolving fund may participate in the program established under this chapter if such corporations meet the rules and procedures established under this chapter that are determined by the Board to be pertinent.

(II) ESTABLISHMENT OF SPECIAL RULES AND PROCEDURES.—

(aa) IN GENERAL.—Not later than 220 days after the date of enactment of this Act, the Board shall establish rules and procedures to enable such community or tribal development corporations serving rural areas located on Federally recognized reservations (including former reservations in Oklahoma) to participate in the program established under this chapter through the operation of revolving funds used for investing in, and making or guaranteeing loans to, new or expanding local businesses.

(bb) CONTENTS.—Rules and procedures established under item (aa) shall be established to ensure that development corporations that receive Federal lines of credit under this chapter serve needy reservation areas, including areas that have low per capita income, high unemployment, high poverty rates, depressed or lagging local economies, and other factors determined appropriate by the Board.

(III) MATCHING REQUIREMENTS.—The requirements of subsection (c)(3) and section 2314(d) concerning the provision of matching funds and the requirement of partnerships for loans, and any related matching requirements, shall not apply to the development corporations receiving assistance under this clause.

(4) REAPPLICATION FOR LINES OF CREDIT.—

(A) IN GENERAL.—An eligible entity that has received a line of credit under this section may reapply in subsequent years for additional lines of credit if the Board makes a determination that—

(i) the applicant has demonstrated that the funds previously allocated under such line of credit have been substantially obligated and that additional demand for lending, investment, or guaranteed funding exists in the service area of the applicant;

(ii) the applicant will meet the matching requirements under subsection (c)(3); and

(iii) the applicant has administered the revolving fund consistent with this chapter and has the capacity to administer additional funds in the same manner.

(B) PRIORITY.—Eligible entities qualified to receive an initial line of credit or that will serve a service area not served by another entity shall receive priority over any applicant seeking a second or subsequent line of credit.

(5) MONITORING COMPLIANCE.—The Board shall establish procedures to monitor the compliance of each eligible entity participating in the program authorized by this chapter with the requirements of this chapter.

(6) ELIGIBLE ENTITY REVOLVING FUND REQUIREMENT.—To be eligible to receive a line of credit from the Rural Fund, the applicant eligible entity shall—

(A) demonstrate its ability or potential capacity to make sound business, lending, and investment decisions and to provide business counseling and technical assistance;

(B) demonstrate its ability to operate consistent with the requirements of this chapter and to increase the availability of credit in rural areas to promote the creation or expansion of viable businesses in rural areas;

(C) identify the proposed service area and define a strategy for serving that area that should describe such characteristics as similar industrial, labor, or other markets, similar geographic or socioeconomic conditions, or other related considerations, and, to the extent that such area includes

any towns or townships, make a commitment to serve such towns or townships in their entirety;

(D) provide an assurance that its service area will consist of—

(i) all rural areas in a county if the median household income of the county is less than the Statewide nonmetropolitan median household income; or

(ii) identified rural areas in a county if—

(I) the median household income of the county is not less than the Statewide nonmetropolitan median household income; and

(II) the median household income of each rural city, town, or township to be served, and of each separate contiguous rural area to be served, is less than the Statewide nonmetropolitan median household income;

(iii) identified rural areas in a State in which the average per capita income is less than 70 percent of the nationwide per capita income; or

(iv) any county where the net migration population loss is at least 5 percent or greater from April 1, 1980, to July 1, 1987, as reported by the Census Bureau of the Department of Commerce; and

(E) provide a notification that an application has been filed with the Board to each county or other local unit of government having jurisdiction over some or all of the proposed service area under procedures developed by the Board.

(7) Factors in approval of applications.—In determining which applications to approve, and the maximum amount of funds to be offered in each line of credit, the Board shall grant a preference to eligible entities—

(A) that have experience in serving local credit or equity needs and in making sound business and investment decisions, or that have the ability to serve such needs and make such decisions;

(B) whose boards of directors (or governing bodies if no such board exists) are composed of a cross-section of individuals (such as individuals with backgrounds in business, community development, or regional development, individuals who are State, local, or county government officials, or individuals involved in banking, financial, or other investment activities);

(C) that are likely to stimulate significant job creation or retention and new business creation or business expansion per dollar of funds provided under this section;

(D) that submit applications that demonstrate the ability and willingness to provide to local businesses continuing technical and management assistance, training, financial and business guidance, and planning;

(E) that demonstrate that the activities of the eligible entity are consistent with State, county, or local goals, whichever is applicable, regarding long-term economic growth and community development;

(F) that submit applications containing a comprehensive investment strategy, developed in consultation with the applicable State, regional council or government, and county or other general purpose unit of local government; and

(G) that propose to serve a service area—

(i) whose unemployment or poverty rates exceed the Statewide nonmetropolitan average;

(ii) with special needs arising from actual or threatened severe unemployment arising from economic dislocation; or

(iii) that includes any county in which the net migration population loss is at least 5 percent or greater from April 1, 1980, to July 1, 1987, as reported by the Census Bureau of the Department of Commerce.

(8) GEOGRAPHIC SPREAD.—

(A) IN GENERAL.—In awarding lines of credit under this section the Board shall attempt, as much as reasonably practicable and consistent with sound financial judgment, to assure that all rural regions of the United States benefit from such awards.

(B) MINIMUM AMOUNT OF FUNDS.—After considering the availability of qualified applications, and if consistent with good investment practices and the other requirements of this chapter, the Board shall approve the application of at least one eligible entity in each State selected under section 2310(b)(1). The Board shall, to the maximum extent practicable and appropriate, ensure that eligible entities that are approved by the Board in any given State receive at least $750,000 (per State) out of the funds provided under subsection (d). In addition, to the maximum extent practicable the Board shall approve the applications of at least two eligible entities in each State containing an approved eligible entity.

(C) MAXIMUM AMOUNT OF FUNDS.—The total amount of funds provided under this chapter to eligible entities in any State shall not exceed $10,000,000.

(D) SPECIAL PROGRAM.—

(i) IN GENERAL.—The Board shall issue regulations to establish a program that targets the benefits of the Federal lines of credit provided under this section to those rural areas and residents with special needs.

(ii) LIMITS.—If consistent with sound investment practices, not less than 5 percent, nor more than 15 percent, of the funds appropriated under subsection (d) shall be issued to eligible entities that will serve—

(I) local businesses located in very distressed rural areas, as defined by the Board, that may include areas with special needs arising from actual or threatened severe unemployment which results from economic dislocation; and

(II) local businesses that provide beneficial services to rural residents such as improved medical, hospital, or health care, licensed day care facilities or centers, improved services for the handicapped,

the disabled, the elderly or other needy individuals, improved educational opportunities, improved public transportation services for needy individuals, or other related services as determined appropriate by the Board.

(d) LIMITATION ON AUTHORIZATION OF APPROPRIATIONS.—To carry out this chapter, there are authorized to be appropriated to the Rural Fund and the Board $10,000,000 for fiscal year 1992, $8,600,000 for fiscal year 1993, $6,700,000 for fiscal year 1994, and $4,700,000 for each of fiscal years 1995 and 1996. Amounts appropriated under this subsection shall remain available until expended or until the Board is terminated.

(e) RELOCATION AND REFINANCING.—The Board shall establish rules and procedures to prohibit eligible entities from using the assistance received under this chapter for loans and investments, or for issuing guarantees, that would—

(1) facilitate the relocation of a local business from one community to another;

(2) refinance the existing debt of a local business, except that such refinancing may be undertaken with such assistance if it is undertaken in conjunction with a substantial expansion effort by the local business; or

(3) significantly reduce the viability of a then existing business engaged in substantially the same business activities in the same community.

SEC. 2314. LOCAL REVOLVING FUNDS.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—Each eligible entity approved by the Board to participate in the program established under this chapter shall establish a local revolving fund account in which to deposit—

(A)(i) amounts received from the Fund under this chapter;

(ii) any local matching funds described in section 2313(c)(3)(A); and

(iii) any profits or income, repayments of loans, proceeds from the sale of equity investments, or other gains or returns on investments or loans, derived from the activities of the revolving fund established under this subsection; less

(B) reasonable operating expenses or losses incurred in administering such fund.

(2) PLACE OF ESTABLISHMENT.—Each local revolving fund established under this subsection may be established in one or more member banks of the Federal Reserve System, any Federally insured State nonmember bank (as defined in section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813(b))), or any State owned bank whose deposits are backed by the full faith and credit of the State, and the funds, except as provided in subsection (b) of this section, shall be held in cash and receive interest or be invested in direct obligations of the United States or in obligations guaranteed by the United States or an agency thereof.

(b) Use of Fund.—Amounts in a local revolving fund may be used—

(1) to provide loans or equity capital, or loan guarantees, to approved local businesses as authorized in this chapter, under procedures established by the Board;

(2) to cover the costs of providing training, business or financial planning, or management or technical assistance to approved local businesses in amounts that do not exceed amounts or levels described in standards established by the Board;

(3) if financial investments are made in the eligible entity, in accordance with item (aa) or (bb) of section 2313(c)(3)(A)(ii)(I), to provide for a return of capital to non-Federal investors in the revolving fund, except that if such revolving fund experiences capital or other losses the share of returned capital under this paragraph shall be proportionately, or otherwise appropriately reduced to reflect such losses, under procedures established by the Board; or

(4) to cover reasonable operating or capital expenses, losses, or for other charges as prescribed in rules or standards established by the Board.

(c) Decisions Concerning Funding.—Eligible entities that receive a line of credit under section 2313 shall make case-by-case determinations concerning applications submitted by each local business for loans, equity capital, or loan guarantees, under general procedures and requirements established by the Board.

(d) Requirement of Partnerships for Loans or Investments.—Funds in each local revolving fund shall be loaned, invested, or used to provide a guarantee, only if one or more depository institutions (as defined in section 3(c)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1813(c)(1)) or community development credit unions described in section 2312(a) of this Act, under procedures established by the Board, match each investment or loan made by each such revolving fund to each such local business, on at least a dollar-for-dollar basis, or provide the funds for the loans that are guaranteed by such local revolving fund.

(e) Investment Size Limits.—

(1) In general.—

(A) Amount per local business.—The amount of Federal funds provided from any revolving fund for use in making loans or investments, or available regarding each guarantee, shall not exceed $250,000 in any given calendar year, to any single approved local business or to other local businesses that are financially connected or otherwise related to such local business as defined by the Board.

(B) Other sources.—This chapter shall not be construed to limit the total amount of loans, investments, or guarantees that each local business may receive from sources other than eligible entities.

(C) Procedures.—In implementing this paragraph the Board shall develop procedures to establish, impute, or determine the amount of Federal funds that shall be considered available in the revolving funds created by approved eligible entities.

(2) Ineligibility.—Any local business that employs 100 or more employees shall not be eligible to receive assistance from a local revolving fund that receives assistance under this chapter.

(f) Subordinated Interest of Local Revolving Fund.—If a depository institution (as defined in section 3(c)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1813(c)(1)) or a community development credit union described in section 2312(a) of this Act has made an investment or loan in a local business in conjunction with an investment or loan made out of the revolving fund of an approved eligible entity, the amount invested or loaned by such revolving fund in such local business may be subordinated to any degree and in any manner.

(g) Other Investors.—A depository institution (as defined in section 3(c)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1813(c)(1)), community development credit union described in section 2312(a) of this Act, similar Federally regulated financial institution, State owned bank, local or State government, private philanthropic foundation, or other entity that contributes capital to an eligible entity that receives Federal assistance under this chapter may establish contractual arrangements with such eligible entity concerning the return of such investments in the local revolving fund consistent with subsection (b)(3).

(h) Additional Capital.—The Board shall promulgate regulations that provide each participating eligible entity with a sufficient amount of time to obtain additional capital, lines of credit, or letters of intent, if any investor, pursuant to the contract with the eligible entity under subsection (g), withdraws some or all of its investment.

(i) Continuation of Line of Credit.—A line of credit provided to an approved eligible entity under section 2313 for use in a local revolving fund shall be available to be drawn upon until the Investment Board is terminated or until the line of credit is canceled, revoked, or suspended by the Board or the Secretary as described in section 2315 or subsection (l) of this section.

(j) Continuation of Business Promotion Activities.—The Federal assistance provided to any eligible entity under this chapter shall become the property of such entity on the termination of the Investment Board if—

(1) the Board determines that the eligible entity that administers the local revolving fund has operated the fund in a manner that is consistent with this chapter; and

(2) the eligible entity contracts with the Secretary to continue to provide lending, investment, and guarantee assistance consistent with this chapter.

(k) Development of Monitoring Procedures.—On and after the date on which the Investment Board is terminated, the Secretary shall act in place of the Board and shall monitor the operations of eligible entities that receive Federal assistance under this chapter which continue to exist on such date.

(l) Refund of Funds.—Notwithstanding subsection (j), and in addition to any actions taken under section 2315, if the Secretary finds that the purpose of any eligible entity is no longer to promote business development in a manner consistent with this chapter, the Secretary shall revoke the approval of the eligible entity, obtain a

refund in an amount equal to the amount of funds drawn out of the Federal line of credit issued to the eligible entity together with an appropriate amount of interest on such amount, as determined by the Secretary, and succeed to, or acquire the rights, privileges, and assets, investments of, and the payments due from such eligible entity, as described in section 2315(h).

(m) ANNUAL REPORTS TO THE BOARD.—

(1) IN GENERAL.—Each eligible entity that receives assistance under this chapter shall annually prepare and submit to the Board, at such time and in such form as the Board may require, a report describing the financial condition of the eligible entity, and the investments, cash revenues, income from investments, loans made, equity positions taken, guarantees issued, losses sustained or taken, any training, business, or technical assistance, or financial planning provided, operating expenses, loss rates, and such other matters as the Board determines appropriate concerning the eligible entity.

(2) POST TERMINATION.—After the Board terminates under subsection (n), the reports required under paragraph (1) shall be submitted to the Secretary who shall stand in the same position as the Board.

(n) TERMINATION OF BOARD.—The Investment Board established by section 2312(a) shall terminate on the last day of the 5th calendar year following the date of enactment of this chapter and on and after such date the Secretary shall act in place of such Board.

SEC. 2315. COMPLIANCE AND ENFORCEMENT.

(a) REVOCATION OR CANCELLATION OF LINE OF CREDIT AND REFUND.—

(1) GROUNDS FOR REVOCATION.—The Board shall revoke or suspend a line of credit, and shall request a full or partial refund of the Federal investment, with an appropriate amount of interest—

(A) for false statements knowingly made in any written statement required under this chapter, or under any regulation or Federal Register notice issued under this chapter;

(B) if any written statement required under this chapter, or under any regulation or Federal Register notice issued under this chapter, fails to state a material fact necessary in order to make the statement not misleading in the light of the circumstances under which the statement was made;

(C) for willful or repeated violation of, or willful or repeated failure to observe, any provision of this chapter;

(D) for willful or repeated violation of, or willful or repeated failure to observe, any rule or regulation authorized under this chapter; or

(E) for violation of, or failure to observe, any cease and desist order issued by the Board under this subsection.

(2) CANCELLATION OF LINE OF CREDIT.—Notwithstanding any action taken under paragraph (1), the Board may cancel any prospective payments to be made from any approved line of credit under this chapter if the Board determines that the eligible entity participating in the program established under this

chapter made an investment, or acted in a manner, that was inconsistent with any provision of this chapter.

(3) CEASE AND DESIST ORDERS.—If an eligible entity has not complied with any provision of this chapter, or of any regulation issued pursuant thereto, or is engaging or is about to engage in conduct that constitutes or will constitute a violation of this chapter or such regulation, the Board may order such entity to cease and desist from such conduct. The Board may further order such entity to take such action or to refrain from such action as the Board determines necessary to ensure compliance with this chapter and the regulations issued thereunder.

(4) ORDER TO SHOW CAUSE, CONTENTS, AND HEARING.—

(A) ORDER.—Prior to revoking or suspending a line of credit under paragraph (1) or (2), or issuing a cease and desist order under paragraph (3), the Board shall serve on the eligible entity an order to show cause why an order revoking or suspending the line of credit or a cease and desist order should not be issued.

(B) CONTENTS.—An order to show cause under subparagraph (A) shall contain a statement of the matters of fact and law asserted by the Board and the legal authority and jurisdiction under which a hearing is to be held, and shall state that a hearing will be held before the Board at a time and place stated in the order.

(C) HEARING.—If, after a hearing under subparagraph (B) or a waiver thereof, the Board determines on the record that an order revoking or suspending the line of credit, or a cease and desist order should be issued, or an order requiring a refund of the Federal investment in addition to reasonable interest thereon should issue, the Board shall promptly issue such order, which shall include a statement of the findings of the Administration and the reasons for such findings and specify the effective date of the order, and shall cause the order to be served on the entity.

(5) SUBPOENA OF PERSONS, BOOKS, PAPERS, AND DOCUMENTS; FEES AND MILEAGE; ENFORCEMENT.—

(A) SUBPOENA.—The Board may require by subpoena the attendance and testimony of witnesses and the production of all books, papers, and documents relating to the hearing from any place in the United States.

(B) FEES AND MILEAGE.—Witnesses summoned before the Board shall be paid by the party at whose instance such witnesses were called the same fees and mileage that are paid witnesses in the courts of the United States.

(C) ENFORCEMENT.—In the case of disobedience to a subpoena under this paragraph, the Board, or any party to a proceeding before the Board, may invoke the aid of any court of the United States in requiring the attendance and testimony of witnesses and the production of books, papers, and documents.

(6) PETITION TO MODIFY OR SET ASIDE ORDER; FILING, TIME AND PLACE, ADMINISTRATION TO SUBMIT RECORD; ACTION OF COURT; REVIEW.—

(A) IN GENERAL.—An order issued by the Board under this subsection shall be final and conclusive unless not later than 30 days after the service thereof the eligible entity appeals to the United States court of appeals for the circuit in which such corporation has its principal place of business by filing with the clerk of such court a petition praying that the order of the Board be set aside or modified in the manner stated in the petition.

(B) FILING.—

(i) LEAVE OF COURT.—After the expiration of the 30-day period referred to in subparagraph (A), a petition may be filed only by leave of court on a showing of reasonable grounds for failure to file the petition prior to the expiration of such period.

(ii) CERTIFICATION.—The clerk of the court shall, on filing, cause a copy of the petition to be delivered to the Board and the Board shall certify and file in the court a transcript of the record on which the order was entered. If prior to the filing of such record the Board amends or sets aside its order, in whole or in part, the petitioner may amend the petition within such time as the court may determine, after providing notice to the Board.

(C) STAY OR SUSPENSION OF ORDER.—The filing of a petition for review under this paragraph shall not of itself stay or suspend the operation of the order of the Board, but the court of appeals in its discretion may restrain or suspend, in whole or in part, the operation of the order pending the final hearing and determination of the petition.

(D) ACTION BY COURT.—The court may affirm, modify, or set aside the order of the Board.

(E) ADDITIONAL EVIDENCE.—

(i) DETERMINATION.—If the court determines that the just and proper disposition of the case requires the taking of additional evidence, the court shall order the Board to reopen the hearing for the taking of such evidence, in such manner and on such terms and conditions as the court may consider appropriate.

(ii) FINDINGS.—The Board may modify its findings as to the facts, or make new findings, by reason of the additional evidence taken under this subparagraph, and it shall file its modified or new findings and the amendments, if any, of its order, with the records of such additional evidence.

(F) CONSIDERATION OF OBJECTIONS.—The court shall not consider an objection to an order of the Board unless the objection was argued before the Board or, if it were not so argued, unless there were reasonable grounds for failure to do so.

(G) REVIEW.—The judgment and decree of the court affirming, modifying, or setting aside any such order of the Board shall be subject only to review by the Supreme Court of the United States on certification or certiorari as provided in section 1254 of title 28, United States Code.

(7) ENFORCEMENT OF ORDER.—If the entity against which or against whom an order is issued under this subsection fails to obey the order, the Board may apply to the United States court of appeals for the circuit where the entity has its principal place of business, for the enforcement of the order, and shall file a transcript of the record on which the order complained of was entered. On the filing of the application, the court shall cause notice thereof to be served on the entity. The evidence to be considered, the procedure to be followed, and the jurisdiction of the court shall be the same as is provided in paragraph (6) for applications to set aside or modify orders.

(b) INVESTIGATIONS AND EXAMINATIONS.—

(1) AUTHORITY.—

(A) IN GENERAL.—The Board may conduct such investigations as the Board considers necessary to determine whether an eligible entity has engaged in any conduct that constitutes or will constitute a violation of any provision of this chapter, of any regulation issued under this chapter, or of any order issued under this section.

(B) FILING OF STATEMENTS.—The Board shall permit any individual to file a statement with the Board in writing, under oath, or otherwise as the Board shall determine, as to all the facts and circumstances concerning the matter to be investigated.

(C) SUBPOENA.—For the purpose of any investigation under this subsection, the Board may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, and documents that are relevant to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States.

(D) REFUSAL TO OBEY.—In case of contumacy by, or refusal to obey a subpoena issued to, any individual, including an entity or corporation, the Board may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such individual resides or carries on business activity, in requiring the attendance and testimony of witnesses and the production of books, papers, and documents, and such court may issue an order requiring such individual to appear before the Board, to produce records, if so ordered, or to give testimony touching the matter under investigation.

(E) CONTEMPT.—A failure to obey an order of the court under this subsection shall be punishable by such court as a contempt thereof. All process in any such case may be served in the judicial district where such individual is an inhabitant or wherever such individual may be found.

(2) EXAMINATIONS AND REPORTS.—

(A) EXAMINATIONS.—An eligible entity under this chapter shall be subject to examinations made by the Board through examiners selected or approved by the Board, and the cost of such examinations, including the compensation

of the examiners, may in the discretion of the Board be assessed against the entity examined and when so assessed shall be paid by such entity.

(B) Reports.—Such entities shall prepare and submit reports to the Board at such times and in such form as the Board may require.

(3) Examinations.—Each eligible entity shall be examined and audited at least once every 2 years, under procedures established by the Board, to determine whether or not such entity has been operated in a manner consistent with this chapter and in an otherwise lawful manner, except that the Board may defer the examination for not more than 1 year if, in its discretion, the Board determines that such a deferral would be appropriate based on the prior operating experience of the entity, the contents and results of the last examination of the entity, and the management expertise of the entity.

(c) Injunctions or Other Orders.—

(1) Grounds and jurisdiction of court.—If, in the judgment of the Board, an eligible entity has engaged or is about to engage in conduct that constitutes or will constitute a violation of any provision of this chapter, of any regulation under this chapter, or of any order issued under this section, the Board may apply to the proper district court of the United States or a United States court located in any jurisdiction subject to the laws of the United States. for an order enjoining such conduct or enforcing compliance with such provision, rule, regulation, or order. Such court shall have jurisdiction over such conduct and, on a showing by the Board that such entity has engaged in or is about to engage in such conduct, may issue a permanent or temporary injunction, restraining order, or other order without bond.

(2) Equity jurisdiction of corporation and assets.—In any proceeding under this section, the court as a court of equity may, to such extent as it considers necessary, declare that such court has exclusive jurisdiction over the entity and the assets thereof, wherever located. Such court shall have jurisdiction in any such proceeding to appoint a trustee or receiver to hold or administer under the direction of the court the assets so possessed.

(3) Trusteeship or receivership.—The Board shall have authority to act as trustee or receiver of an entity under this section. On request by the Board, the court may appoint the Board to act in such capacity unless the court determines such appointment to be inequitable or otherwise inappropriate because of the special circumstances involved.

(d) Unlawful Acts and Omissions by Officers, Directors, Employees, or Agents.—

(1) Violation of chapter.—It shall be unlawful for any eligible entity to violate any provision of this chapter or any regulation issued under this chapter, or for any individual, directly or indirectly, to authorize, order, or participate in, or cause, bring about, counsel, aid, or abet conduct that constitutes or will constitute, in whole or in part, such a violation.

(2) BREACH OF FIDUCIARY DUTY.—It shall be unlawful for any officer, director, employee, agent, or other participant in the management or conduct of the affairs of an eligible entity to engage in conduct, in breach the fiduciary duty of such individual or such officer, director, employee, agent, or participant, if, as a result thereof, the entity has suffered or is in imminent danger of suffering financial loss or other damage.

(3) DISQUALIFICATION OF OFFICERS AND EMPLOYEES.—Except on the written consent of the Board, it shall be unlawful for any individual to take or continue to hold office as an officer, director, or employee of an eligible entity, or become or continue to be an agent or participate in the conduct of the affairs or management of an eligible entity if such individual has been—

(A) convicted of a felony, or of any other criminal offense involving dishonesty or breach of trust; or

(B) found civilly liable in damages, or has been permanently or temporarily enjoined by an order, judgment, or decree of a court of competent jurisdiction, by reason of any conduct involving fraud or breach of trust.

(e) PENALTIES AND FORFEITURES.—

(1) IN GENERAL.—Except as provided in paragraph (2), an eligible entity that violates any regulation or written directive issued by the Board requiring the filing of any regular or special report under this chapter, shall forfeit and pay to the United States a civil penalty of not more than $100 for each and every day of the continuance of the corporation's failure to file such report, unless the entity demonstrates that such failure is due to reasonable cause and not due to willful neglect. The civil penalties provided for in this subsection shall accrue to the United States and may be recovered in a civil action brought by the Board.

(2) EXEMPTION.—At any time before a failure under paragraph (1), and after notice and opportunity for hearing, the Board may through rules and regulations, or on application of an interested party, by order, exempt in whole or in part, any entity from the provisions of paragraph (1), on such terms and conditions and for such period of time as the Board determines necessary and appropriate, if the Board finds that such action is not inconsistent with the public interest or the protection of the Board. The Board may for purposes of this subsection impose any alternative requirements appropriate to the situation.

(f) JURISDICTION AND SERVICE OF PROCESS.—Any suit or action brought under this section by the Board to enforce any liability or duty created by, or to enjoin any violation of, this chapter, or any rule, regulation, or order promulgated thereunder, shall be brought in the district in which the eligible entity maintains its principal office, and process in such cases may be served in any district in which the defendant maintains its principal office or transacts business, or wherever the defendant may be found.

(g) SUBSTITUTION OF SECRETARY.—On the termination of the Board, the Secretary shall stand in place of the Board and shall possess all the powers, privileges, and rights regarding compliance and enforcement described in this section and in section 2314.

(h) REVOCATION, SUSPENSION, OR TERMINATION.—If the approval of any eligible entity to participate in this program is revoked, suspended, or terminated, or if the activities of the eligible entity otherwise end, the Board, or the Secretary, upon the termination of the Board, shall—

(1) possess all the rights and privileges of such eligible entity;

(2) succeed to the assets of such eligible entity to the extent necessary to obtain a refund of any amounts due to the Board or the Secretary;

(3) be entitled to receive any payments due to such eligible entity from any local businesses on any outstanding loans; and

(4) take over any equity investment held by such eligible entity.

CHAPTER 3—RURAL ECONOMIC DEVELOPMENT REVIEW PANELS

SEC. 2316. DELIVERY OF CERTAIN RURAL DEVELOPMENT PROGRAMS.

(a) IN GENERAL.—The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) is amended by adding after the section added by section 2301(a)(1) of this Act the following new sections:

"SEC. 365. SYSTEM FOR DELIVERY OF CERTAIN RURAL DEVELOPMENT PROGRAMS.

"(a) IN GENERAL.—

"(1) ASSISTANCE IN ELIGIBLE STATES.—Assistance under each designated rural development program shall be provided in eligible States to qualified projects in accordance with this section.

"(2) NO ASSISTANCE IN OTHER STATES.—The Secretary shall not provide assistance under any designated rural development program in any State that is not an eligible State.

"(b) DEFINITIONS.—As used in this section and section 366:

"(1) AREA PLAN.—The term 'area plan' means, with respect to a local or regional area in a State, the long-range rural development plan developed for the area. Each area plan shall identify the geographical boundaries of the area and include—

"(A) an overall development plan for the area with goals, including business development and infrastructure development goals, and time lines based on a realistic assessment of the area, including, but not limited to—

"(i) the number and types of businesses in the area that are growing or declining, and a list of the types of businesses that the area could potentially support;

"(ii) the outstanding need for water and waste and other public services or facilities in the area;

"(iii) the realistic possibilities for industrial recruitment in the area;

"(iv) the potential for the development of tourism in the area;

"(v) the potential for the generation of employment in the area through the creation of small businesses and the expansion of existing businesses; and

"(vi) the potential for the production of value-added agricultural products in the area;

"(B) an inventory and assessment of the human resources of the area, including, but not limited to—

"(i) a current list of organizations in the area and their special interests;

"(ii) the current level of participation of area residents in rural development activities and the level of participation required for successful implementation of the plan;

"(iii) the availability of general and specialized job training in the area and the extent to which the needs of the area for such training are not being met;

"(iv) a list of area residents with special skills which could be useful in developing and implementing the plan; and

"(v) an analysis of the human needs of the area, the resources in the area available to meet those needs, and the manner in which the plan, if implemented, would increase the resources available to meet those needs;

"(C) the current degree of intergovernmental cooperation in the area and the degree of such cooperation needed for the successful implementation of the plan;

"(D) the ability and willingness of governments and citizens in the area to become involved in developing and implementing the plan;

"(E) a description of how the governments in the area will apply budget and fiscal control processes to the plan; and

"(F) the extent to which public services and facilities need to be improved to achieve the economic development and quality of life goals of the plan, taking into consideration, at a minimum—

"(i) law enforcement;

"(ii) fire protection;

"(iii) water and solid waste management;

"(iv) education;

"(v) health care;

"(vi) transportation;

"(vii) housing;

"(viii) communications; and

"(ix) the availability of, and capability to generate, electric power.

"(2) DESIGNATED RURAL DEVELOPMENT PROGRAM.—The term 'designated rural development program' means a program carried out under section 304(b), 306(a), or subsections (a) through (f) and (h) of section 310B of this Act, or under section 1323 of the Food Security Act of 1985, for which funds are available at any time during the fiscal year under such section.

"(3) ELIGIBLE STATE.—

"(A) REQUIREMENTS.—The term 'eligible State' means, with respect to a fiscal year, a State to which this section is made applicable under section 2310(b)(2) of the Rural Economic Development Act of 1990, and with respect to which all of the following apply not later than the first day of the fiscal year:

"(i) Established rural economic development review panel.—The State has established an advisory rural economic development review panel that meets the requirements of section 366.

"(ii) Appointed State coordinator.—The Governor of the State has appointed an officer or employee of the State government to—

"(I) manage, operate, and carry out the instructions of, the panel described in clause (i);

"(II) serve as a liaison between the panel and the Federal and State agencies involved in rural development, including transmitting to the Secretary any list transmitted to the State coordinator pursuant to section 366(b)(6);

"(III) ensure that all rural residents in the State are informed about the manner in which assistance under designated rural development programs is to be provided to the State pursuant to this section and section 366;

"(IV) provide information to State residents, on request, about the manner in which assistance under designated rural development programs is to be provided to the State pursuant to this section and section 366; and

"(V) coordinate the efforts of interested rural residents with the State rural economic development review panel.

"(iii) Designated agency to provide administrative support to panel.—The State has designated an agency to provide the panel and the State coordinator with support for the daily operation of the panel described in clause (i).

"(B) Good faith exception.—Notwithstanding the requirements of subparagraph (A), the Secretary of Agriculture may determine, no later than the first day of the fiscal year, a State to be an eligible State under this paragraph for the fiscal year if the Secretary determines that the State has made a good faith effort to meet, and has substantially met, such requirements.

"(4) Qualified project.—The term 'qualified project' means any project—

"(A) for which the agency described in paragraph (3)(C) of the State has identified—

"(i) the alternative Federal, State, local, or private sources of assistance; and

"(ii) the related activities in the State; and

"(B) to which the Secretary is required by subsection (c)(4) to provide assistance.

"(5) State coordinator.—The term 'State coordinator' means the individual appointed by the Governor of the State to carry out the activities described in paragraph (3)(B).

"(6) State rural economic development review panel.—The term 'State rural economic development review panel' or

'panel' means an advisory panel that meets the requirements of section 366.

"(c) Duties of the Secretary.—The Secretary shall, with respect to each eligible State—

"(1) review the list, if any, transmitted pursuant to subsection 366(b)(6) by any State coordinator;

"(2) determine whether each project described in an application in the list meets the requirements of the rural development program under which the application seeks assistance;

"(3) remove from the list any application for a project that does not meet the requirements;

"(4) provide assistance, subject to available funds, to the projects in the applications remaining in the list after the list has (if necessary) been modified pursuant to paragraph (3), giving consideration to the order in which the applications for such projects are ranked by the respective State panel, and, if assistance is provided to any project without providing assistance to all projects ranked higher in priority by the panel than such project, report to the panel, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate within ten days of determining to fund such lower ranked project on the reasons for that determination;

"(5) within thirty days after the date of the enactment of any Act providing appropriations for any designated rural development program for any fiscal year, notify each State of the amounts to be made available to such State under such program for such fiscal year, and the aggregate for such fiscal year of such amounts under all the designated rural development programs;

"(6) pay per diem or otherwise reimburse each full-time officer or employee of the United States who is a member of a State rural economic development review panel for expenses incurred each day (including travel time) during which the officer or employee is engaged in the actual performance of a duty of the panel;

"(7) from amounts appropriated for grants under any provision of section 306(a), make grants not to exceed $100,000 annually to each eligible State for the administrative costs associated with the State rural economic development review panel meeting the requirements of section 366; and

"(8) appoint a member to the State rural economic development review panel as provided under section 366(c)(1)(P).

"(d) Official Information.—The Secretary may appoint as nonvoting members, temporarily and for specific purposes, personnel from any department or agency of the United States, with the consent of the head of such department or agency, with expertise not available among the members of any State rural economic development review panel as may be necessary to enable the panel to perform a duty described in section 366(b).

"(e) Allocation of Appropriated Funds.—

"(1) Initial allocation.—The Secretary shall allocate the sums appropriated for direct loans, loan guarantees, or grants for any designated rural development program made available

to any eligible State under such program for any fiscal year to the projects specified in subsection (c)(4) giving great weight to the order in which the applications for such projects are ranked on the list specified in subsection (c)(1).

"(2) EQUITABLE REALLOCATION OF UNOBLIGATED FUNDS.—Notwithstanding paragraph (1), the Secretary shall, on July 15 of each year, and from time to time thereafter during the fiscal year as the Secretary determines appropriate, pool from among the eligible States any unobligated funds appropriated for direct loans, loan guarantees, or grants for each designated rural development program and reallocate such funds among the eligible States according to need, as determined by the Secretary.

"(f) INAPPLICABILITY OF FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act shall not apply to any State rural economic development review panel.

"(g) NO LIABILITY OF MEMBERS OF STATE RURAL ECONOMIC DEVELOPMENT REVIEW PANELS.—The members of a State rural economic development review panel shall not be liable to any person with respect to any determination made by the panel.

"(h) ELIGIBILITY FOR WATER AND WASTE FACILITY LOANS.—

"(1) RURAL ELECTRIFICATION PROGRAM BORROWERS.—Notwithstanding any other provision of law, a borrower under title III of the Rural Electrification Act of 1936 shall be eligible to receive loans and grants under section 306 on an equal basis with any other applicant for such assistance, and the terms and conditions, rules, criteria and other provisions of section 306 shall apply to such a borrower. In the case of applications from such a borrower, the Administrator of the Rural Electrification Administration shall provide technical assistance with respect to water and waste facilities and loans and grants for such facilities.

"(2) PROHIBITION ON RESTRICTING WATER AND WASTE FACILITY SERVICES TO ELECTRIC CUSTOMERS.—The Secretary shall establish rules and procedures that prohibit borrowers under title III of the Rural Electrification Act of 1936 from conditioning or limiting access to, or the use of, water and waste facility services financed under the Consolidated Farm and Rural Development Act if such conditioning or limiting is based on whether individuals or entities in the area served or proposed to be served by such facility receive, or will accept, electric service from such borrower.

"SEC. 366. STATE RURAL ECONOMIC DEVELOPMENT REVIEW PANEL.

"(a) IN GENERAL.—In order for a State to become or remain an eligible State, the State must have a State rural economic development review panel that meets all of the requirements of this section.

"(b) DUTIES.—The panel must be required to advise the Secretary on the desirability of funding applications for funding from designated rural development programs, and, in developing such advice, the panel must have the following duties:

"(1) REVIEW RURAL DEVELOPMENT PLANS OF LOCAL AREAS.—To review each area plan submitted by a local or regional area.

"(2) EVALUATE AREA PLANS AND APPLICATIONS FOR ASSISTANCE.—(A) AREA PLANS.—To evaluate, pursuant to a written policy and criteria, each area plan submitted by a local or regional area and either—

"(i) accept any area plan that is technically and economically adequate, feasible, and likely to succeed in meeting the stated goals of the plan, unless the plan is incompatible with any other area plan for that area that has been accepted by the panel; or

"(ii) return any plan that is technically or economically inadequate, infeasible, unlikely to be successful, or incompatible with any other area plan for that area that has been accepted by the panel, with an explanation of the reasons for the return with suggested alternative proposals.

In evaluating area plans under this subparagraph, the panel must give great weight to the area plans or other comments submitted by intergovernmental development councils, or similar organizations made up of local elected officials, charged with the responsibility for rural or regional development.

"(B) APPLICATIONS FOR ASSISTANCE.—To evaluate each application for assistance to determine whether the project to be carried out in any area is compatible with the area plan for the area in which the project described in the application is proposed, and either—

"(i) accept any application that the panel determines to be compatible with such area plan; or

"(ii) return to the Rural Development Administration any application that the panel determines to be incompatible with such area plan.

"(3) REVIEW AND RANK APPLICATIONS FOR ASSISTANCE UNDER DESIGNATED RURAL DEVELOPMENT PROGRAMS FROM AREAS WITH ACCEPTED AREA PLANS.—To review applications for assistance, that have been accepted pursuant to paragraph (2)(B), for projects to be carried out in any area the area plan for which has been accepted pursuant to paragraph (2)(A), taking into account the sources of assistance and related activities identified pursuant to section 365(b)(4)(A), and to rank such applications, subject to paragraphs (4) and (5), pursuant to a written policy and criteria, in an order that takes into account—

"(A) in the case of business projects described in the application—

"(i) the extent to which a project would—

"(I) stimulate rural development by creating new jobs of a permanent nature or retaining existing jobs by enabling new small businesses to be started, or existing businesses to be expanded by local or regional area residents who own and operate the businesses,

"(II) contribute to the enhancement and the diversification of the local or regional area economy,

"(III) generate or retain jobs for local or regional area residents,

"(IV) be carried out by persons with sufficient managerial capability,

"(V) be likely to become financially viable, and

"(VI) assist a local or regional area in overcoming severe economic distress;

"(ii) the distribution of assistance to projects in as many areas as possible in the State, with sensitivity to geographical distribution;

"(iii) the technical aspect of the projects;

"(iv) the market potential and marketing arrangements for the projects; and

"(v) the potential of such project to promote the growth of a rural community by improving the ability of the community to increase the number of persons residing therein and by improving the quality of life of such persons; and

"(B) in the case of infrastructure and community facility projects described in the applications the extent to which a project would—

"(i) have the potential to promote the growth of a rural community by improving the quality of life for local or regional area residents;

"(ii) affect the health and safety of local or regional area residents;

"(iii) affect business productivity and efficiency;

"(iv) enhance commercial business activity;

"(v) have the potential to promote long-term growth, including by increasing the number of persons residing in a rural community;

"(vi) address a severe loss or lack of water quality or quantity;

"(vii) bring a community into compliance with Federal or State water or waste water standards; and

"(viii) consolidate water and waste systems and utilize management efficiencies in new systems.

"(4) PRIORITY RANKING FOR PROJECTS ADDRESSING HEALTH EMERGENCIES.—To give priority in reviewing and ranking, notwithstanding the criteria established in paragraph (3), to applications for projects designed to address a health emergency declared to be such by the appropriate Federal or State government agency.

"(5) PRIORITY BASED ON NEED.—If in ranking applications pursuant to paragraphs (3) and (4), 2 or more applications are determined to have comparable strengths in their feasibility and potential for growth, to give priority to the applications for projects for which there is the greatest need.

"(6) TRANSMIT LIST OF RANKED APPLICATIONS.—To transmit to the State coordinator a list of all applications received and indicate on the list—

"(A) for all applications accepted, the rank of such applications in accordance with paragraphs (3), (4) and (5); and

"(B) for all applications returned, the fact that the application was returned pursuant to paragraph (2) and instruct the State coordinator to transmit the list to the Secretary.

"(7) AVAILABILITY OF LIST OF RANKED APPLICATIONS.—To make available to the public the list of ranked applications sub-

mitted under paragraph (6) and to provide a brief explanation and justification of why the project applications received their prioritization.

"(8) ESTABLISHMENT AND REVIEW OF WRITTEN POLICY AND CRITERIA FOR EVALUATING AND RANKING APPLICATIONS.—To establish and annually review the written policy and criteria used by the panel in evaluating and ranking applications in accordance with this subsection to ensure that the policy and criteria are consistent with current rural developmental needs, and to provide for public input during the development of the initial policy and criteria.

"(c) MEMBERSHIP.—

"(1) VOTING MEMBERS.—The panel must be composed of not more than sixteen voting members who are representatives of rural areas—

"(A) one of whom is the Governor of the State or the person designated by the Governor to serve on the panel on behalf of the Governor for that year;

"(B) one of whom is the director of the State agency responsible for economic and community development or the person designated by the director to serve on the panel on behalf of the director for that year;

"(C) one of whom is appointed by a statewide association of banking organizations;

"(D) one of whom is appointed by a statewide association of investor-owned utilities;

"(E) one of whom is appointed by a statewide association of rural telephone cooperatives;

"(F) one of whom is appointed by a statewide association of noncooperative telephone companies;

"(G) one of whom is appointed by a statewide association of rural electric cooperatives;

"(H) one of whom is appointed by a statewide association of health care organizations;

"(I) one of whom is appointed by a statewide association of existing local government-based planning and development organizations;

"(J) one of whom is appointed by the Governor of the State from either a statewide rural development organization or a statewide association of publicly-owned electric utilities, neither of which is described in any of subparagraphs (C) through (I);

"(K) one of whom is appointed by a statewide association of counties;

"(L) one of whom is appointed by a statewide association of towns and townships, or by a statewide association of municipal leagues, as determined by the Governor;

"(M) one of whom is appointed by a statewide association of rural water districts;

"(N) the State director of the Federal small business development center (or, if there is no small business development center in place with respect to the State, the director of the State office of the Small Business Administration);

"(O) the representative for that State of the Economic Development Administration of the Department of Commerce; and

"(P) one of whom is appointed by the Secretary from among the officers and employees of the Federal Government.

"(2) NONVOTING MEMBERS.—The panel must have not more than four nonvoting members who must serve in an advisory capacity and are representatives of rural areas—

"(A) one of whom is appointed by the Governor, from names submitted by the dean, or the equivalent official, of each school or college of business of the colleges and universities in the State;

"(B) one of whom is appointed by the Governor, from names submitted by the dean, or the equivalent official, of each school or college of engineering of the colleges and universities in the State;

"(C) one of whom is appointed by the Governor, from names submitted by the dean, or the equivalent official, of each school or college of agriculture of the colleges or universities in the State; and

"(D) the director of the State agency responsible for extension services for the State.

"(3) APPOINTMENT OF REPRESENTATIVES OF STATEWIDE ORGANIZATIONS BY THE GOVERNOR IN CERTAIN CASES.—

"(A) NO STATEWIDE ORGANIZATION.—If there is no statewide association or organization described in subparagraph (C), (D), (E), (F), (G), (H), (I), (K), (L), or (M) of paragraph (1) of the entities described in such subparagraph, the Governor of the State will appoint an individual to fill the position or positions, as the case may be, described in the applicable subparagraph from among nominations submitted by local groups of such entities.

"(B) MULTIPLE STATEWIDE ORGANIZATIONS.—If there is more than one of the statewide associations or organizations described in subparagraph (C), (D), (E), (F), (G), (H), (I), (K), (L), or (M) of paragraph (1) of the entities described in such subparagraph, the Governor must select which organization is to name a member. The Governor must rotate such selection among such associations or organizations such that a representative of the selected association or organization serves no more than two years before another such association or organization is selected by the Governor.

"(4) FAILURE TO APPOINT PANEL MEMBERS.—The failure of the Governor, the Secretary of Agriculture, or an association or organization described in subparagraph (C), (D), (E), (F), (G), (H), (I), (K), (L), or (M) of paragraph (1) to appoint a member to the panel as required under this subsection shall not prevent a State from being determined to be an eligible State.

"(d) NOTIFICATION.—Each statewide organization that selects an individual to represent the organization on the panel must have notified the Governor of the State of the selection.

"(e) QUALIFICATIONS OF PANEL MEMBERS APPOINTED BY THE GOVERNOR.—Each individual appointed to the panel by the Governor of the State will be specially qualified to serve on the panel by virtue of the individual's technical expertise in business and community development.

"(f) VACANCIES.—A vacancy on the panel must be filled in the manner in which the original appointment was made.

"(g) CHAIRPERSON AND VICE CHAIRPERSON.—The panel must have selected two members of the panel who are not officers or employees of the United States to serve as the chairperson and vice chairperson of the panel for a term of one year.

"(h) NO COMPENSATION FOR FEDERAL MEMBERS.—Except as provided in section 365(c)(6), each member of the panel who is an officer or employee of the Federal Government may not receive any compensation or benefits, in addition to that which such officer or employee receives for performance of such officer or employee's regular employment, by reason of service on the panel.

"(i) RULES GOVERNING PANEL MEETINGS.—

"(1) QUORUM.—A majority of the members of the panel must constitute a quorum for the purpose of conducting business of the panel.

"(2) FREQUENCY OF MEETINGS.—The panel must meet not less frequently than quarterly.

"(3) FIRST MEETING.—The State coordinator must schedule the first panel meeting.

"(4) RECORDS OF MEETINGS.—The panel must keep records of the minutes of the meetings, deliberations, and evaluations of the panel, in sufficient detail to enable the panel to provide to interested persons the reasons for its actions.".

(b) CONFORMING AMENDMENT.—Section 306(a)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(3)) is amended by striking "and not inconsistent" and all that follows through "undertaken for the area".

SEC. 2317. LOAN AND LOAN GUARANTEE ALLOCATION AND TRANSFER.

The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) is amended by adding after the sections added by the preceding provisions of this subtitle the following:

"SEC. 367. LIMITED TRANSFER AUTHORITY OF LOAN AMOUNTS.

"(a) TRANSFER OF FUNDS.—If the sums appropriated for direct loans for the water and waste or community facility program authorized under section 306(a) and made available to any eligible State (within the meaning of section 365(b)(3)) under such program for the fiscal year are insufficient to enable the Secretary to provide the full amount of the assistance requested for a project specified in section 365(c)(4), the Secretary may transfer, subject to subsection (b) of this section, to one program from the other such program part or all of the sums appropriated for loans made available to the State for such other program.

"(b) LIMITATION ON LOAN AMOUNTS TRANSFERRED.—

"(1) AMOUNTS TRANSFERRED WITHIN CERTAIN STATES.—With regard to each eligible State (within the meaning of section 365(b)(3)), the amount of direct loan funds transferred from a program under this section shall not exceed the amount for

such program left unobligated after obligating to each project in an application ranked higher in priority on the list described in section 365(b)(6) the full amount of assistance requested for each such project.

"(2) AMOUNTS TRANSFERRED ON A NATIONAL BASIS.—With regard to all such eligible States, the amount of direct loan funds transferred in a fiscal year from a program under this section (after accounting for any offsetting transfers into such program) shall not exceed $9,000,000.

"SEC. 368. ALLOCATION AND TRANSFER OF LOAN GUARANTEE AUTHORITY.

"(a) ALLOCATION OF LOAN GUARANTEE AUTHORITY.—The Secretary shall allocate among all States the amounts appropriated for loan guarantees under the water and waste or community facility program authorized under section 306(a), and the business and industry loan program authorized under section 310B, in a manner similar to that used for the allocation of direct loan and grant funds appropriated for such programs, and that the Secretary determines to be fair, reasonable, and appropriate.

"(b) TRANSFER OF LOAN GUARANTEE AUTHORITY.—

"(1) IN GENERAL.—If the sums appropriated for loan guarantees and made available to any eligible State (within the meaning of section 365(b)(3)) under a program specified in subsection (a) for the fiscal year are insufficient to enable the Secretary to provide the full amount of the assistance requested for a project specified in section 365(c)(4), the Secretary may transfer to the program from the other such programs part or all of the sums appropriated for loan guarantees made available to such eligible State for such other program for such fiscal year.

"(2) LIMITATION ON GUARANTEE AMOUNTS TRANSFERRED.—With regard to each such eligible State, the amount of loan guarantees transferred from a program under this section shall not exceed the amount for such program left unobligated after obligating to each project in an application ranked higher in priority on the list described in section 366(b)(6) the full amount of assistance requested for each such project.".

Subtitle C—Water and Waste Facilities

SEC. 2321. INCREASE ON LIMITATION OF AUTHORIZATION FOR WATER AND WASTE GRANTS.

Section 306(a)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(2)) is amended by striking ": Provided, That for fiscal years commencing after September 30, 1981, such grants may not exceed $154,900,000 in any fiscal year".

SEC. 2322. WATER AND WASTE FACILITY FINANCING.

(a) AUTHORITY.—The Secretary of Agriculture shall make loans to individuals or entities who are borrowers under title III of the Rural Electrification Act of 1936 (7 U.S.C. 930 et seq.) (in this section referred to as the "borrower"), to the extent of qualifying applications therefor, to enable such borrowers to provide water and waste facility services in areas served by such borrowers.

(b) Limitation.—Loans made under subsection (a) shall not, unless otherwise specified by law, exceed an amount equal to 10 percent of the total amount of insured loans under the Rural Electrification Act of 1936 authorized during the fiscal year in which such loan is made for rural electrification and telephone purposes, or $40,000,000, whichever is less. Such limitations shall be in addition to the total amount of insured loans authorized for electrification and telephone purposes.

(c) Priority.—In reviewing applications for loans under this section, the Secretary shall consider—

(1) whether the loan is necessary to enable the communities to be served to comply with applicable Federal or State environmental laws;

(2) whether the individuals residing in the area for which service is proposed, and any local government entities, are in favor of the borrower providing such services in the area;

(3) the income, unemployment, and other characteristics of the area to be served;

(4) the degree of deprivation faced by residents of the area to be served as a result of the lack of safe drinking water, adequate water supplies, sewage treatment and other waste disposal facilities;

(5) the impact that the availability of safe water supplies, waste disposal and similar services would be likely to have on enhancing the prospects for economic growth within the area to be served;

(6) the degree to which a loan that may be provided under this subsection is necessary to ensure that water and waste disposal services are available in the area to be served by such loan at costs that do not exceed those charged in other nearby areas;

(7) the impact of the proposed loan on the retention of the property and service territory of the borrower, or in protecting the security given on outstanding loans provided to the borrower; and

(8) whether the water and waste facility projects described in the application will duplicate any existing facilities, and whether the borrower will coordinate its water and waste facility operations with similar operations in the area, including efforts to achieve economies of scale through joint billing, collection, or other operations with nearby systems in order to reduce the costs, improve the operations, or otherwise assist such systems.

(d) Coordination.—

(1) Other programs and requirements.—

(A) Other programs.—The Secretary shall ensure that the program established under this section is coordinated with the programs authorized and established under section 306 of the Consolidated Farm and Rural Development Act, and will attempt to coordinate the lending activities under this section with similar activities conducted by other entities.

(B) Requirements.—Loans made under this section shall be subject, in the same manner as loans made under

section 306 of the Consolidated Farm and Rural Development Act, to the provisions of section 306(a)(9) and 306(a)(10) of such Act (which require approvals by State water pollution control agencies), sections 306(a)(19)(A) and (B) of such Act (which include certain requirements in connection with the technical design and choice of materials for water and waste systems), and section 306(b) of such Act (which concerns the curtailment or limitation of service).

(2) ASSIGNMENT OF DUTIES.—The Secretary shall determine whether the Rural Electrification Administration possesses greater expertise, as compared with the Farmers Home Administration, in the areas of utility accounting, utility management and financial analysis, advice and assistance, and other aspects of utility operations and engineering. If the Secretary determines that the Rural Electrification Administration possesses greater expertise in such areas, the Secretary shall require the Rural Electrification Administration to provide technical assistance, and assist in the processing of applications under this section.

(3) PROHIBITION ON LIMITING ACCESS.—The Secretary shall establish rules and procedures that prohibit borrowers from conditioning or limiting access to, or the use of, any water and waste facility services that are financed under this section. Such rules and procedures shall be based on whether individuals or entities in the area for which such facility is proposed receive, or will accept, electric service from such borrower.

(e) TERMS.—

(1) IN GENERAL.—Loans made under this section shall be for the same repayment period as insured loans made by the Administrator of the Rural Electrification Administration to such borrowers under title III of the Rural Electrification Act of 1936 (7 U.S.C. 930 et seq.) and interest rates on loans made under this section shall not exceed 5 percent.

(2) INTEREST RATE.—The Secretary shall determine the interest rate to be charged on loans made under this section on the basis of—

(A) ensuring that the cost to consumers for water and waste disposal services financed with loans provided under this section does not, to the extent possible, exceed rates charged in areas that are near the area served by the borrower;

(B) the income and other characteristics of the individuals to be served through the provision of such loans; and

(C) encouraging borrowers to obtain private sector capital, as provided for in subsection (f), to supplement loans made under this section.

(f) PRIVATE SECTOR CAPITAL.—

(1) MATCHING FUNDS REQUIRED.—The Secretary shall not provide assistance to a borrower under this section unless the borrower has made a commitment to the Secretary, and demonstrates to the Secretary that the borrower is able, to invest from its own funds an amount equal to the amount of assistance to be so provided.

(2) Interest rate reduction authorized.—In order to facilitate the obtaining of private sector capital, the Secretary may, on a case-by-case basis, reduce the interest rate on loans provided under this section when such reduction is appropriate and will enable the borrower to obtain such private capital.

(g) Appropriations.—The Secretary may make loans under this section to the extent provided for in appropriations Acts, except that during any fiscal year the amount of such loans, unless otherwise provided by law, shall not exceed 10 percent of the amount authorized for all insured loans under title III of the Rural Electrification Act of 1936 (7 U.S.C. 930 et seq.), or $40,000,000, whichever amount is less. Funds appropriated under this subsection shall remain available until expended.

(h) Repayment.—Appropriations made for purposes of this section shall be placed in a separate account. Advances on loans made under this section shall be made from such account, and payments on such loans shall be returned to the account for use by the account in making advances on future loans.

(i) Full Use.—

(1) In general.—Subject to paragraph (2) and (3) and any other limitations that may be imposed by law, during each fiscal year the Secretary shall undertake all reasonable efforts to make full use of any funds held by the account established under subsection (h).

(2) Ceiling on loans.—During any particular fiscal year the aggregate amount of the loans the Secretary may make under this section, from amounts in the account established under subsection (h) that are not attributable to repayments, shall be the lesser of—

(A) 10 percent of the amount of loans made under title III of the Rural Electrification Act of 1936 (7 U.S.C. 930 et seq.) during the fiscal year; or

(B) $40,000,000.

(j) Replenishment of Water and Waste Facility Fund.—

(1) Calculation of total amount of loans.—At the end of each fiscal year the Secretary shall calculate—

(A) the total amount of loans made under this section during such fiscal year; and

(B) the amount of water or waste facility loans made under section 306 of the Consolidated Farm and Rural Development Act to borrowers described in subsection (a) of this section.

(2) Transfer of amounts.—Notwithstanding subsections (g) and (i), if any amount appropriated under subsection (g) remains available at the end of any fiscal year—

(A) the Secretary shall transfer such available amount to the fund used to make water or waste facility loans under section 306 of the Consolidated Farm and Rural Development Act, to the extent not exceeding the amount of any loans made under such section 306 to borrowers under the Rural Electrification Act of 1936; and

(B) any such loan to such borrower made under such section 306 shall be—

(i) subject to the terms, conditions and other requirements of section 306A; and

(ii) repaid to the account established by subsection (h).

SEC. 2323. WATER AND WASTE LENDING BY BANKS FOR COOPERATIVES.

(a) AUTHORIZATION.—Section 3.7 of the Farm Credit Act of 1971 (12 U.S.C. 2128) is amended by adding at the end the following new subsection:

"(f) The banks for cooperatives may, for the purpose of the installation, expansion, or improvement of water and waste disposal facilities in rural areas, make and participate in loans and commitments and to extend other technical and financial assistance to—

"(1) cooperatives formed specifically for the purpose of establishing or operating such facilities; and

"(2) public and quasi-public agencies and bodies, and other public and private entities that, under authority of State or local law, establish or operate such facilities.

For purposes of this subsection, the term 'rural area' means all territory of a State that is not within the outer boundary of any city or town having a population of more than 20,000 based on the latest decennial census of the United States.".

(b) CONFORMING AMENDMENT.—Section 3.8(b)(1) of the Farm Credit Act of 1971 (12 U.S.C. 2129(b)(1)) is amended by adding at the end the following new subparagraph:

"(D) Any cooperative or other entity described in section 3.7(f).".

SEC. 2324. RURAL WASTEWATER TREATMENT CIRCUIT RIDER PROGRAM.

(a) ESTABLISHMENT.—The Secretary shall establish a national rural wastewater circuit rider grant program that shall be modeled after the existing National Rural Water Association Rural Water Circuit Rider Program that receives funding from the Farmers Home Administration.

(b) LIMITATION ON AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $4,000,000 for each fiscal year to carry out the program established under subsection (a).

SEC. 2325. TECHNICAL ASSISTANCE FOR CERTAIN SOLID WASTE MANAGEMENT.

Section 310B(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(b)) is amended—

(1) by inserting "(1)" before "The Secretary"; and

(2) by adding at the end the following new paragraph:

"(2) The Secretary may make grants to nonprofit organizations for the provision of regional technical assistance to local and regional governments and related agencies for the purpose of reducing or eliminating pollution of water resources and improving the planning and management of solid waste disposal facilities. Grants made under this paragraph for the provision of technical assistance shall be made for 100 percent of the cost of such assistance.".

SEC. 2326. EMERGENCY COMMUNITY WATER ASSISTANCE GRANT PROGRAM.

(a) ESTABLISHMENT OF PROGRAM.—Subtitle A of the Consolidated Farm and Rural Development Act is amended by inserting after section 306A (7 U.S.C. 1926a) the following new section:

"SEC. 306B. EMERGENCY COMMUNITY WATER ASSISTANCE GRANT PROGRAM.

"(a) In General.—The Secretary shall make grants in accordance with this section to assist the residents of rural areas and small communities to secure adequate quantities of safe water—

"(1) after a significant decline in the quantity or quality of water available from the water supplies of such rural areas and small communities; or

"(2) when repairs, partial replacement, or significant maintenance efforts on established water systems would remedy an acute shortage of quality water or would remedy a significant decline in the quantity or quality of water that is available.

"(b) Priority.—In carrying out subsection (a), the Secretary shall give priority to projects described in subsection (a)(1), and provide at least 70 percent of all such grants to such projects.

"(c) Eligibility.—To be eligible to obtain a grant under this section, an applicant shall—

"(1) be a public or private nonprofit entity; and

"(2) in the case of a grant made under subsection (a)(1), demonstrate to the Secretary that the decline referred to in such subsection occurred within 2 years of the date the application for such grant was made.

"(d) Uses.—

"(1) In general.—Grants made under this section may be used for waterline extensions from existing systems, laying of new waterlines, repairs, significant maintenance, digging of new wells, equipment replacement, hook and tap fees, and any other appropriate purpose associated with developing sources of, or treating, storing, or distributing water, and to assist communities in complying with the requirements of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) or the Safe Drinking Water Act (42 U.S.C. 300f et seq.).

"(2) Joint proposals.—This section shall not preclude rural communities from submitting joint proposals for emergency water assistance, subject to the restrictions of subsection (e). Such restrictions should be considered in the aggregate, depending on the number of communities involved.

"(e) Restrictions.—Grants made under this section shall not be used to assist any rural area or community that—

"(1) includes any area in any city or town with a population in excess of 5,000 inhabitants according to the most recent decennial census of the United States; or

"(2) has a median household income in excess of the State nonmetropolitan median household income according to the most recent decennial census of the United States.

Not less than 75 percent of the funds allocated under this section shall be allocated to rural communities with populations that do not exceed 3,000 inhabitants.

"(f) Maximum Grants.—Grants made under this section may not exceed—

"(1) in the case of each grant made under subsection (a)(1), $500,000; and

"(2) in the case of each grant made under subsection (a)(2), $75,000.

"(g) FULL FUNDING.—Subject to subsection (e), each grant under this section shall be made in an amount equal to 100 percent of the costs of the projects with respect to which the grant is made.

"(h) APPLICATION.—The Secretary shall develop a nationally competitive application process to award grants under this section. Such process shall include criteria for evaluating applications, including population, median household income, and the severity of the decline in quantity or quality of water. The Secretary shall make every effort to review and act on applications within 60 days of the date that such applications are submitted.

"(i) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be appropriated $25,000,000 for fiscal year 1991, and $10,000,000 for fiscal year 1992. To the extent the amount authorized to be appropriated for a fiscal year under this subsection exceeds the amount so appropriated, such excess amount shall remain authorized to be appropriated for succeeding fiscal years until fully appropriated.".

(b) IMPLEMENTATION.—

(1) REGULATIONS.—The Secretary shall publish—

(A) interim final regulations to carry out section 306B of the Consolidated Farm and Rural Development Act not later than 45 days after the date of enactment of this Act; and

(B) final regulations to carry out section 306B not later than 90 days after such date of enactment.

(2) FUNDS.—

(A) OBLIGATION.—The Secretary shall obligate 70 percent of the funds made available for the first fiscal year for which appropriations are made under section 306B(i) of the Consolidated Farm and Rural Development Act not later than 5 months after the date such funds are appropriated.

(B) RELEASE.—The Secretary may make grants under section 306B(a)(1) of Consolidated Farm and Rural Development Act before final regulations are issued under paragraph (1)(B) of this subsection.

SEC. 2327. WATER AND WASTE FACILITY LOANS AND GRANTS TO ALLEVIATE HEALTH RISKS.

Subtitle A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922 et seq.) is amended by adding after the section added by section 2326 of this Act the following new section:

"SEC. 306C. WATER AND WASTE FACILITY LOANS AND GRANTS TO ALLEVIATE HEALTH RISKS.

"(a) LOANS AND GRANTS TO PERSONS OTHER THAN INDIVIDUALS.—

"(1) IN GENERAL.—The Secretary shall make or insure loans and make grants to rural water supply corporations, cooperatives, or similar entities, Indian tribes on Federal and State reservations and other federally recognized Indian tribes, and public agencies, to provide for the conservation, development, use, and control of water (including the extension or improvement of existing water supply systems), and the installation or improvement of drainage or waste disposal facilities and essential community facilities including necessary related equipment. Such loans and grants shall be available only to provide such

water and waste facilities and services to communities whose residents face significant health risks, as determined by the Secretary, due to the fact that a significant proportion of the community's residents do not have access to, or are not served by, adequate affordable—

"(A) water supply systems; or

"(B) waste disposal facilities.

"(2) CERTAIN COUNTIES TARGETED.—Loans and grants under paragraph (1) shall be made only if the loan or grant funds will be used primarily to provide water or waste services, or both, to residents of a county—

"(A) the per capita income of the residents of which is not more than 70 percent of the national average per capita income, as determined by the Department of Commerce; and

"(B) the unemployment rate of the residents of which is not less than 125 percent of the national average unemployment rate, as determined by the Bureau of Labor Statistics.

"(b) LOANS AND GRANTS TO INDIVIDUALS.—

"(1) IN GENERAL.—The Secretary shall make or insure loans and make grants to individuals who reside in a community described in subsection (a)(1) for the purpose of extending water supply and waste disposal systems or connecting such systems to the residences of such individuals. Such loans shall be at a rate of interest no greater than the Federal Financing Bank rate on loans of a similar term at the time such loans are made. The repayment of such loans shall be amortized over the expected life of the water supply or waste disposal system to which the residence of the borrower will be connected.

"(2) MANNER IN WHICH LOANS AND GRANTS ARE TO BE MADE.—Loans and grants to individuals under paragraph (1) shall be made—

"(A) directly to such individuals by the Secretary; or

"(B) to such individuals through the rural water supply corporation, cooperative, or similar entity, or public agency, providing such water supply or waste disposal services, pursuant to regulations issued by the Secretary.

"(c) PREFERENCE.—The Secretary shall give preference in the awarding of loans and grants—

"(1) under subsection (a) to rural water supply corporations, cooperatives, or similar entities, or public agencies, that propose to provide water supply or waste disposal services to the residents of those rural subdivisions commonly referred to as colonias, that are characterized by substandard housing, inadequate roads and drainage, and a lack of adequate water or waste facilities; and

"(2) under subsection (b) to individuals who reside in a rural subdivision commonly referred to as a colonia, that is characterized by substandard housing, inadequate roads and drainage, and a lack of adequate water or waste facilities.

"(d) COOPERATIVE DEFINED.—For purposes of this section, the term 'cooperative' means a cooperative formed specifically for the purpose of the installation, expansion, improvement, or operation of water supply or waste disposal facilities or systems.

"(e) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated—

"(1) for grants under this section, $30,000,000 for each fiscal year; and

"(2) for loans under this section, $30,000,000 for each fiscal year.".

SEC. 2328. WATER OR WASTE DISPOSAL LOANS TO BENEFIT RURAL BUSINESSES.

Section 306(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(1)) is amended by inserting "rural businesses," after "farm laborers,".

SEC. 2329. LIMITATION ON CONDITIONS FOR WATER AND SEWER GRANTS AND LOANS.

Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) is amended by adding at the end the following new paragraph:

"(20) In making or insuring loans or making grants under this subsection, the Secretary may not condition approval of such loans or grants upon any requirement, condition or certification other than those specified under this Act.".

Subtitle D—Enhancing Human Resources

CHAPTER 1—DISTANCE LEARNING AND MEDICAL LINK PROGRAMS

SEC. 2331. PURPOSE.

The purposes of this chapter are to provide incentives for local telephone exchange carriers, rural community facilities and rural residents to improve the quality of phone service, to provide access to advanced telecommunications services and computer networks, and to improve rural opportunities.

SEC. 2332. GOAL.

It is a goal of the Federal government to make affordable advanced telecommunications available to rural residents, including services such as reliable facsimile document and data transmission, multifrequency tone signaling services, 911 emergency service with automatic number identification, interactive audio and visual transmissions, voicemail services designed to record, store, and retrieve voice messages, and other advanced telecommunications services.

SEC. 2333. DEFINITIONS.

As used in this chapter:

(1) ADMINISTRATOR.—The term "Administrator" means the Administrator of the Rural Electrification Administration.

(2) COMMUNICATION SATELLITE GROUND STATION COMPLEX.—The term "communication satellite ground station complex" includes transmitters, receivers, and communications antennas at the Earth station site together with the interconnecting terrestrial transmission facilities (cables, line, or microwave facilities) and modulating and demodulating equipment necessary for processing traffic received from the terrestrial distribution

system prior to transmission via satellite and the traffic received from the satellite prior to transfer to terrestrial distribution systems.

(3) COMPREHENSIVE RURAL TELECOMMUNICATIONS PLAN.—The term "comprehensive rural telecommunications plan" means a plan submitted by an applicant for a grant under this chapter. Each such plan shall include—

(A) a detailed explanation of the proposed rural telecommunications system, how such system is to be funded, and a description of the intended uses for grants received from the Administrator under this chapter;

(B) an explanation of the manner in which such plan complies with any requirements imposed by the Administrator under this chapter or otherwise imposed under section 2334;

(C) a listing of the proposed purchases or leases of telecommunications terminal equipment, telecommunications transmission facilities, data terminal equipment, interactive video equipment, computer hardware and software systems, and components that process data for transmission via telecommunications, computer network components, communication satellite ground station equipment, or any other elements of the telecommunications system designed to further the purposes of this chapter, that the applicant intends to build or fund using the grant funds;

(D) an explanation of the special financial or other needs of the affected rural communities and of the applicants for such grant assistance;

(E) an analysis of the relative costs and benefits of proposals for leasing or purchasing of facilities, equipment, components, hardware and software, or other items; and

(F) a description of the consultations with the appropriate local telephone exchange carrier or carriers and with a wide variety of additional telecommunications service providers (including other interexchange carriers, cable television operators, enhanced service providers, providers of satellite services and telecommunications equipment manufacturers and distributors), and the anticipated role of such providers in the proposed telecommunications system.

(4) COMPUTER NETWORKS.—The term "computer networks" refers to computer hardware and software, terminals, signal conversion equipment including both modulators and demodulators, or related devices, used to communicate with other computers to process and exchange data through a telecommunication network in which signals are generated, modified, or prepared for transmission, or received, via telecommunications terminal equipment and telecommunications transmission facilities.

(5) DATA TERMINAL EQUIPMENT.—The term "data terminal equipment" refers to equipment that converts user information into data signals for transmission, or reconverts the received data signals into user information, and is normally found on the terminal of a circuit and on the premises of the end user.

(6) End user.—The term "end user" means rural community facilities or persons associated with those facilities who participate in the programs established under this chapter.

(7) Fiber-optic cable.—The term "fiber-optic cable" means a bundle of optical transmission elements or waveguides usually consisting of a fiber core and fiber cladding that can guide a lightwave and that are incorporated into an assembly of materials that provide tensile strength and external protection.

(8) Interactive video equipment.—The term "interactive video equipment" refers to equipment used to produce and prepare for transmission audio and visual signals from at least two distant locations such that individuals at such locations can verbally and visually communicate with each other, and such equipment includes monitors, other display devices, cameras or other recording devices, audio pickup devices, and other related equipment.

(9) Secretary.—The term "Secretary" means the Secretary of Agriculture.

(10) Telecommunications transmission facilities.—The term "telecommunications transmission facilities" refers to those facilities that transmit, receive, or carry data between the telecommunications terminal equipment at each end of a telecommunications circuit or path. Such facilities include microwave antennae, relay stations and towers, other telecommunications antennae, fiber-optic cables and repeaters, coaxial cables, communication satellite ground station complexes, copper cable electronic equipment associated with telecommunications transmissions, and similar items as defined by the Administrator.

(11) Telecommunications terminal equipment.—The term "telecommunications terminal equipment" refers to the assembly of telecommunications equipment at the end of a circuit, normally located on the premises of the end user, that interfaces with telecommunications transmission facilities, and that is used to modify, convert, encode, or otherwise prepare signals to be transmitted via such telecommunications facilities, or that is used to modify, reconvert or carry signals received from such facilities, the purpose of which is to accomplish the goal for which the circuit was established.

SEC. 2334. PROVISIONS RELEVANT TO TELECOMMUNICATIONS PROGRAMS.

(a) Administration.—The Administrator shall be responsible for the administration of this chapter.

(b) Rulemaking.—Not later than 160 days after the date of enactment of this Act, the Administrator shall promulgate final regulations, under the notice and comment rulemaking requirements described in section 553 of title 5, United States Code, that establish the telecommunications programs authorized in this chapter.

(c) Priority.—The Administrator shall establish procedures to target the benefits of this chapter to the rural areas and grant applicants that demonstrate the need for such assistance, taking into consideration the relative needs of all applicants, the needs of the affected rural communities, and the financial ability of the applicants to otherwise secure or create telecommunications systems.

(d) WAIVERS.—If the Administrator determines that a compelling need is present, the Administrator may modify any of the definitions in section 2333.

(e) EXPEDITING COORDINATED TELEPHONE LOANS.—The Administrator shall establish and implement procedures to ensure that expedited consideration and determination is given to applications, for loans and advances of funds submitted by local exchange carriers under this chapter—

(1) to enable such exchange carriers to provide advanced telecommunications services in rural areas; and

(2) that contain elements of any telecommunications project approved by the Administrator under this chapter that will be completed by such local telephone exchange carriers but that is not covered by any grant made under this chapter.

(f) GRANT APPROVAL PROCESS.—

(1) MODIFICATIONS.—The Administrator may request modifications or changes in any proposal described in a grant application submitted under this chapter.

(2) LEVELS OF FUNDING.—

(A) IN GENERAL.—The Administrator may offer to fund grant applications under this chapter at any levels that the Administrator considers appropriate but not exceeding any percentage levels described in this chapter.

(B) CONSIDERATIONS.—After taking into consideration the nationwide demands for grant assistance and the costs and benefits of any proposed purchases or leases of telecommunications transmission facilities, telecommunications terminal equipment, computer network components, and other equipment or facilities, the Administrator shall make grants based on—

(i) the worthiness of the application;

(ii) the financial needs of the applicant;

(iii) the need of the affected rural communities for the proposed projects; and

(iv) other factors determined appropriate by the Administrator.

(g) JOINT USE OF TELECOMMUNICATIONS TRANSMISSIONS FACILITIES.—In issuing regulations implementing this chapter, and in requesting changes in, or approving applications for grants, the Administrator shall give a priority, to the extent reasonable and appropriate, to provide funding for such facilities that can be jointly shared by projects established under this chapter.

(h) EXPEDITED LOANS FOR TELEPHONE TRANSMISSION FACILITIES.—

(1) IN GENERAL.—Grants to cover the costs of installing telecommunication transmission facilities shall not be provided to approved end users if the local telephone exchange carrier providing telephone service, as defined in section 203(a) of the Rural Electrification Act of 1936 (7 U.S.C. 924(a)), will install such facilities through the use of expedited telephone loans as described in subsection (e) under the conditions and deadlines described in this section or through other financing procedures.

(2) NOTIFICATION OF LOCAL EXCHANGE CARRIER.—Each applicant for a grant for a rural telecommunications program estab-

lished under this chapter shall notify the appropriate local telephone exchange carrier regarding the application filed with the Administrator for such grant and shall attempt to work with such carrier in developing the rural telecommunications project. The Administrator shall publish notice of applications received for grants under this chapter for rural telecommunications programs and shall make such applications available for inspection by any provider described in section 2333(3)(F).

(3) DEADLINE IMPOSED ON THE ADMINISTRATOR.—Not later than 45 days after the receipt of a completed application for an expedited telephone loan, the Administrator shall respond to the application. The Administrator shall notify the applicant in writing of its decision regarding each such expedited loan application.

SEC. 2335. RURAL COMMUNITY ACCESS TO ADVANCED TELECOMMUNICATIONS.

(a) PURPOSE.—

(1) IN GENERAL.—It is the purpose of the program established under this chapter to encourage and improve the use of telecommunications, computer networks, and related advanced technologies, by persons associated with end users, including students and teachers, medical professionals, small businesses, and other residents living in rural areas associated with rural community facilities in rural areas.

(2) GRANTS.—Grants shall be made under this chapter to end users to fund up to 100 percent of each comprehensive rural telecommunications plan as approved by the Administrator.

(b) GRANTS.—

(1) GENERAL AUTHORIZATION.—The Administrator may make grants to accomplish the purposes of the program established under this chapter in amounts that shall not exceed the levels set forth in paragraph (3).

(2) DISBURSEMENT.—In order to facilitate appropriate planning for, and continuity of, the program established under this chapter, the Administrator may obligate funds appropriated during a particular year for disbursement in a subsequent year or years, and the total of funds so appropriated and obligated during a year may exceed the limitations described in paragraph (1).

(3) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—To carry out this chapter, there are authorized to be appropriated $25,000,000 for fiscal year 1991, $50,000,000 for each of fiscal years 1992 and 1993, and $60,000,000 for each of the fiscal years 1994 and 1995. Amounts appropriated under this paragraph shall remain available until expended.

(4) USE OF FUNDS.—Grants under this chapter shall be made available to end users to be used for facilities, equipment, activities, and other uses as described in the approved rural telecommunications plan to achieve the purpose of this chapter, including—

(A) the development and acquisition of instructional programming;

(B) the development and acquisition, through lease or purchase, of computer hardware and software, audio and visual equipment, computer network components, telecommunications terminal equipment, telecommunications transmission facilities, data terminal equipment, or interactive video equipment, and other facilities that would further the purposes of the programs authorized by this chapter;

(C) providing technical assistance and instruction for the development or use of such programming, equipment, or facilities; or

(D) other uses that are consistent with achieving the purposes of this chapter as approved by the Administrator.

(5) LOCAL EXCHANGE CARRIERS.—Under the conditions described in section 2334(h), expedited loans may also be made, to carry out any project authorized in this chapter, to local exchange carriers providing telephone service (as defined in section 2333(a) of the Rural Electrification Act of 1936 (7 U.S.C. 924(a))), to cover the costs of telecommunications transmission facilities.

(6) INFORMATIONAL EFFORTS.—The Administrator shall establish and implement procedures to carry out informational efforts to advise potential end users located in rural areas of each State about the program authorized by this chapter.

(7) LIMITS ON GRANTS.—Grants awarded under this chapter for an end user shall not be used for the salaries or expenses of an end user.

(c) REGULATIONS.—Not later than 160 days after the date of enactment of this Act, the Administrator shall, in addition to promulgating the regulations described in section 2334(b), establish a priority system for awarding grants to end users located in rural areas that are most in need of enhanced communications to carry out the purposes of this chapter.

CHAPTER 2—RURAL BUSINESS DEVELOPMENT

SEC. 2336. PURPOSES.

The purposes of this chapter are to—

(1) provide funds to improve telecommunications service in rural areas; and

(2) provide access to advanced telecommunications services and computer networks to improve job opportunities and the business environment in rural areas.

SEC. 2337. LOANS FOR BUSINESS TELECOMMUNICATIONS PARTNERSHIPS.

Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is amended by adding after the subsections added by section 2347(a) of this Act the following:

"(i) LOANS FOR BUSINESS TELECOMMUNICATIONS PARTNERSHIPS.—

"(1) IN GENERAL.—The Secretary may make loans under this subsection at low interest rates and at market rates to 1 or more businesses, local governments, or public agencies in rural areas to fund facilities in which the recipients of such loans share telecommunications terminal equipment, computers, computer software, and computer hardware.

"(2) GENERAL REQUIREMENTS.—

"(A) APPLICATION PROCESS.—

"(i) SUBMISSION OF APPLICATION.—Any entity desiring a loan under this subsection shall submit an application therefor to the Secretary.

"(ii) CONTENTS OF APPLICATION.—Each application for a loan under this subsection shall include—

"(I) a detailed explanation of the proposed rural telecommunications system, including the general telecommunications transmission services and facilities required, and a list of the specific equipment that the applicant proposes to purchase or lease, to implement the system;

"(II) a description of the manner in which the proposed project is to be funded;

"(III) a copy of a binding commitment entered into between the applicant and each entity which is legally permitted to provide, and from which the applicant is to obtain, the telecommunications services and facilities required for the project, which stipulates that if the applicant receives the loan requested in the application the entity will provide such telecommunications services and facilities in the area served by the entity within a reasonable time and at a charge which is in accordance with State law;

"(IV) a description of the manner in which the applicant intends to use the loan requested in the application;

"(V) a description of how the proposed project will be evaluated; and

"(VI) such other information as the Secretary may reasonably require.

"(B) CONSIDERATION OF APPLICATIONS.—

"(i) REVIEW BY SECRETARY.—The Secretary shall—

"(I) review each application submitted pursuant to subparagraph (A)(i);

"(II) determine whether or not the application meets the requirements of subparagraph (A)(ii);

"(III) approve each application which meets such requirements;

"(IV) disapprove each application which fails to meet such requirements; and

"(V) in the case of an approved application that proposes a project to be implemented in an eligible State (within the meaning of section 365(b)(3)), transmit the approved application to the review panel of the eligible State.

"(ii) REVIEW BY CERTAIN STATE REVIEW PANELS.—

"(I) IN GENERAL.—The review panel shall examine each application transmitted to the review panel pursuant to clause (i)(V) to determine the technical and economic adequacy and feasibility of

the project described in the application and the likelihood that the project will succeed.

"(II) AUTHORITY TO OBTAIN INFORMATION FROM APPLICANTS.—Each entity which submits an application for a loan under this subsection shall provide the review panel of any eligible State in which the partnership intends to implement the project described in the application such information as the review panel may reasonably request to assist in reviewing the application.

"(III) AUTHORITY TO REQUEST APPLICANTS TO MODIFY PROJECTS.—The review panel may, before final consideration of an application of an entity for a loan under this subsection, request the entity to modify the project described in the application.

"(iii) RANKING OF APPLICATIONS.—

"(I) IN GENERAL.—The review panel shall rank, pursuant to a written policy and criteria, the applications that the review panel receives during any fiscal year for a loan under this subsection, in an order which takes into account—

"(aa) the results of the review conducted under clause (i);

"(bb) the extent to which the projects described in the applications would promote any area plan (as defined in section 365(b)(1)) developed for the areas in which the projects are to be implemented; and

"(cc) in the case of a project which would duplicate existing services, the reasons therefor.

"(II) GROUPING OF APPLICATIONS.—The review panel shall separate into 2 groups the applications for a loan under this subsection received by the review panel during a fiscal year. The 1st group shall consist of the applications received during the 1st 6 months of the fiscal year. The 2nd group shall consist of the applications received during the 2nd 6 months of the fiscal year.

"(III) COMPETITION AMONG APPLICATIONS.—The review panel shall consider each application in a group to be competing only with the other applications in the group.

"(IV) WRITTEN POLICY AND CRITERIA.—

"(aa) IN GENERAL.—Subject to subdivision (bb), the review panel shall develop the written policy and criteria to be used to rank applications, in the same manner as the review panel develops the written policy and criteria used for purposes of section 366(b)(3).

"(bb) PROHIBITION AGAINST DEVELOPMENT OR ACQUISITION OF TELECOMMUNICATIONS TRANSMISSION FACILITIES.—The policy and criteria developed under subdivision (aa) shall

require that the project described in an application not include the development or acquisition of telecommunications transmission facilities.

"(iv) TRANSMITTAL OF RANKED APPLICATIONS.—The review panel shall transmit to the State coordinator appointed pursuant to section 365(b)(3)(A)(ii) each list of applications ranked pursuant to clause (ii) of this subsection, in the same manner in which lists of applications ranked pursuant to section 366(b) are transmitted to the State coordinator pursuant to section 366. The State coordinator shall transmit to the Secretary each such list received by the State coordinator.

"(C) PRIORITY.—The Secretary shall establish procedures to target loans under this subsection to the rural areas and applicants that demonstrate the need for such loans, taking into consideration—

"(i) the relative needs of all applicants;

"(ii) the needs of the affected rural areas;

"(iii) the financial ability of the applicants, without such loans, to use telecommunications for the business purposes for which such loans may be made; and

"(iv) the recommendations of the review panels for the eligible States (within the meaning of section 365(b)(3)) in which such areas are located.

"(D) REPORT REQUIRED IF THE SECRETARY INTENDS TO FUND PROJECTS OTHER THAN AS RECOMMENDED BY REVIEW PANEL.—If the Secretary determines to provide loans under this subsection to projects in an eligible State (within the meaning of section 365(b)(3)) other than in the manner recommended by the review panel of the State, the Secretary—

"(i) within 10 days after making such determination, shall submit to the review panel of the eligible State, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the reasons for providing loans to projects other than in the manner so recommended; and

"(ii) shall not provide such loans before the end of the 7-day period beginning on the date the review panel and such committees have received such report.

"(E) MONITORING OF USE OF LOANS.—The Secretary shall take such steps as may be necessary to ensure that loans provided under this subsection are used in accordance with the approved application therefor.

"(3) RELATIONSHIP TO STATE LAW.—This subsection shall not be construed to affect in any manner the applicability of the Communications Act of 1934, the regulations and orders prescribed thereunder, or any State or local law relating to the regulation or provision of telecommunications facilities or services.

"(4) REGULATIONS.—Not later than 120 days after the date of the enactment of this subsection, the Secretary shall prescribe final regulations governing the loan program established under this subsection other than with respect to agency management

and personnel, in accordance with the notice and comment rulemaking requirements described in section 553 of title 5, United States Code, notwithstanding subsection (a)(2) of such section 553.

"(5) DEFINITIONS.—As used in this subsection:

"(A) REVIEW PANEL.—The term 'review panel' means, with respect to an eligible State (within the meaning of section 365(b)(3), the rural economic development review panel of the State, as established pursuant to section 366.

"(B) RURAL AREA.—The term 'rural area' has the meaning given such term in section 306(a)(7) for purposes of loans for essential community facilities under section 306(a)(1).

"(C) TELECOMMUNICATIONS TERMINAL EQUIPMENT.—The term 'telecommunications terminal equipment' means telecommunications equipment (excluding telecommunications transmission facilities) that—

"(i) interconnects with telecommunications transmission facilities; and

"(ii) modifies, converts, encodes, or otherwise prepares signals to be transmitted through, or modifies, reconverts, or carries signals received from, the facilities.

"(D) TELECOMMUNICATIONS TRANSMISSION FACILITIES.—The term 'telecommunications transmission facilities' means facilities (other than telecommunications terminal equipment) that transmit, receive, or carry signals between the telecommunications terminal equipment at each end of a telecommunications circuit or path.

"(6) TREATMENT OF LOAN PROGRAM AS DESIGNATED RURAL DEVELOPMENT PROGRAM.—For purposes of this title, the loan program established under this subsection shall, with respect to eligible States (within the meaning of section 365(b)(3)), be treated as a designated rural development program (within the meaning of section 365(b)(2)).

"(7) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—

"(A) IN GENERAL.—For loans under this subsection, there are authorized to be appropriated to the Secretary $15,000,000 for each of fiscal years 1991, 1992, 1993, 1994, and 1995.

"(B) AVAILABILITY.—Amounts appropriated pursuant to subparagraph (A) shall remain available until expended.".

Subtitle E—Rural Business and Emergency Assistance

SEC. 2341. LOCAL TECHNICAL ASSISTANCE GRANTS.

Section 306(a)(11) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(11)) is amended to read as follows:

"(11)(A)(i) The Secretary may make grants, not to exceed $15,000,000 annually, to public bodies, private nonprofit community development corporations or entities, or such other agencies as the Secretary may select to enable such recipients—

"(I) to identify and analyze business opportunities, including opportunities in export markets, that will use local rural economic and human resources;

"(II) to identify, train, and provide technical assistance to existing or prospective rural entrepreneurs and managers;

"(III) to establish business support centers and otherwise assist in the creation of new rural businesses, the development of methods of financing local businesses, and enhancing the capacity of local individuals and entities to engage in sound economic activities; and

"(IV) to conduct regional, community, and local economic development planning and coordination, and leadership development.

"(ii) In awarding such grants, the Secretary shall consider, among other criteria to be established by the Secretary—

"(I) the extent to which the applicant provides development services in its rural service area; and

"(II) the capability of the applicant to carry out the purposes of this section.

"(iii) The Secretary shall ensure, to the extent practicable, that assistance provided under this subsection is coordinated with and delivered in cooperation with similar services or assistance provided to rural residents by the Extension Service or other Federal agencies.

"(iv) For grants under this subparagraph, there are authorized to be appropriated to the Secretary $7,500,000 in each fiscal year.".

SEC. 2342. RURAL EMERGENCY ASSISTANCE LOANS.

Section 306(a)(11) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(11)) is amended by inserting after the matter added by section 2341 of this Act the following new subparagraph:

"(B)(i) The Secretary shall establish and implement a program to make loans for the benefit of any town or city that—

"(I) has a population of less than 20,000 individuals; and

"(II) is financially unable to obtain funds as quickly as needed to correct emergency conditions or situations needing urgent attention.

"(ii) The Secretary shall promulgate regulations—

"(I) targeting the program established under this subparagraph toward needy communities in rural areas;

"(II) defining the term 'emergency conditions or situations needing urgent attention'; and

"(iii) The Secretary shall approve or reject applications for loans under this subparagraph within 30 days after receipt.

"(iv) The Secretary shall not loan more than $50,000 to a single borrower under this subparagraph, and all loans under this subparagraph shall be for not more than 2 years.

"(v) The Secretary may respond to the credit needs of rural towns or cities eligible to participate in the program authorized under this subparagraph by making loans that are eligible for refinancing after the expiration of the 2-year period described in clause (iv), and payments under such loans may be set at a level that is sufficiently low during such 2-year period so that the financially troubled town or city can participate in the program established under this sub-

paragraph. The Secretary shall assist such borrowers in obtaining financing through existing Farmers Home Administration programs so that such borrowers are able to pay the balance due on each loan at the end of such 2-year period.

"(vi) To carry out the emergency lending program authorized by the program established under this subparagraph, there are authorized to be appropriated $2,500,000 for fiscal year 1991, and $5,000,000 for fiscal year 1992 and for each subsequent fiscal year.".

SEC. 2343. REA TECHNICAL ASSISTANCE UNIT.

Title I of the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) is amended by adding at the end the following:

"SEC. 17. TECHNICAL ASSISTANCE UNIT.

"(a) ESTABLISHMENT.—The Administrator shall establish a technical assistance unit to perform the duties described in subsection (b).

"(b) DUTIES.—The technical assistance unit established under subsection (a) shall—

"(1) provide advice and guidance to electric and telephone borrowers under this Act concerning the effective and prudent use by such borrowers of the investment authority under section 312 to promote rural development;

"(2) provide technical advice, troubleshooting, and guidance concerning the operation of programs or systems that receive assistance under this Act;

"(3) establish and administer various pilot projects through electric and telephone borrowers that the Administrator determines are useful or necessary, and recommend specific rural development projects for rural areas;

"(4) act as an information clearinghouse (using, to the extent practicable, the resources of the National Agricultural Library) and conduit to provide information to electric and telephone borrowers under this Act concerning useful and effective rural development efforts that such borrowers may wish to apply in their areas of operation and concerning State, regional, or local plans for long-term rural economic development;

"(5) provide information to electric and telephone borrowers under this Act concerning the eligibility of such borrowers to apply for financial assistance, loans, or grants from other Federal agencies and non-Federal sources to enable such borrowers to expand their rural development efforts; and

"(6) promote local partnerships and other coordination between borrowers under this Act and community organizations, States, counties, or other entities, to improve rural development.

"(c) FUNDING.—Not less than 2 percent of the salaries and expenses of the Rural Electrification Administration shall be made available during each fiscal year to the technical assistance unit established under this section.".

SEC. 2344. DEFERMENT OF PAYMENT ON ECONOMIC DEVELOPMENT LOANS.

Section 12 of the Rural Electrification Act of 1936 (7 U.S.C. 912) is amended—

(1) by inserting "(a)" before "The Administrator"; and

(2) by adding at the end the following new subsection:

"(b)(1) Subject to limitations established in appropriations Acts, the Administrator shall permit any borrower to defer the payment of principal and interest on any insured or direct loan made under this Act under circumstances described in this subsection, notwithstanding any limitation contained in subsection (a), except that such deferment shall not be permitted based on the determination of the Administrator of the financial hardship of the borrower.

"(2)(A) In the case of deferments made to enable the borrower to provide financing to local businesses, the deferment shall be repaid in equal installments, without the accrual of interest, over the 60-month period beginning on the date of the deferment, and the total amount of such payments shall be equal to the amount of the payment deferred.

"(B) In the case of deferments made to enable the borrower to provide community development assistance, technical assistance to businesses, and for other community, business, or economic development projects not included under subparagraph (A), the deferment shall be repaid in equal installments, without the accrual of interest, over the 120-month period beginning on the date of the deferment, and the total amount of such payments shall be equal to the amount of the payment deferred.

"(3)(A) A borrower may defer its debt service payments only in an amount equal to an investment made by such borrower as described in paragraph (2).

"(B) The amount of the deferment shall not exceed 50 percent of the total cost of a community or economic development project for which a deferment is provided under this subsection.

"(C) The total amount of deferments under this subsection during each of the fiscal years 1990 through 1993 shall not exceed 3 percent of the total payments due during such fiscal year from all borrowers on direct and insured loans made under this Act and shall not exceed 5 percent of such total payments due in each subsequent fiscal year.

"(D) At the time of a deferment, the borrower shall make a payment to a cushion of credit account established and maintained pursuant to section 313 in an amount equal to the amount of the payment deferred. The balance of such account shall not be reduced by the borrower below the level of the unpaid balance of the payment deferred. Subject to limitations established in annual appropriations Acts, such cushion of credit amounts and any other cushion of credit and advance payments of any borrower shall be included in the interest differential calculation under section 313(b)(2)(A).

"(4) The Administrator shall undertake all reasonable efforts to permit the full amount of deferments authorized by this subsection during each fiscal year.".

SEC. 2345. RURAL ECONOMIC DEVELOPMENT.

The Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) is amended by adding at the end the following new title:

“TITLE V—RURAL ECONOMIC DEVELOPMENT

“SEC. 501. ADDITIONAL POWERS AND DUTIES OF REA ADMINISTRATOR.

“The Administrator shall—

“(1) provide advice and guidance to electric borrowers under this Act concerning the effective and prudent use by such borrowers of the investment authority under section 312 to promote rural development;

“(2) provide technical advice, troubleshooting, and guidance concerning the operation of programs or systems that receive assistance under this Act;

“(3) establish and administer various pilot projects through electric and telephone borrowers that the Administrator determines are useful or necessary, and recommend specific rural development projects for rural areas;

“(4) act as an information clearinghouse and conduit to provide information to electric and telephone borrowers under this Act concerning useful and effective rural development efforts that such borrowers may wish to apply in their areas of operation and concerning State, regional, or local plans for long-term rural economic development;

“(5) provide information to electric and telephone borrowers under this Act concerning the eligibility of such borrowers to apply for financial assistance, loans, or grants from other Federal agencies and non-Federal sources to enable such borrowers to expand their rural development efforts;

“(6) promote local partnerships and other coordination between borrowers under this Act and community organizations, States, counties, or other entities, to improve rural development;

“(7) review the advice and recommendations of the Rural Educational Opportunities Board as established under section 601(f); and

“(8) administer a Rural Business Incubator Fund (as established under section 502) that shall provide technical assistance, advice, loans, or capital to business incubator programs or for the creation or operation of small business incubators in rural areas.

“SEC. 502. RURAL BUSINESS INCUBATOR FUND.

“(a) ESTABLISHMENT AND USE.—

“(1) ESTABLISHMENT.—There is established in the Treasury of the United States a revolving fund to be known as the Rural Business Incubator Fund (in this title referred to as the ‘Incubator Fund’) to be administered by the Administrator.

“(2) USE.—The Incubator Fund shall be used to make grants and reduced interest loans to electric and telephone borrowers under this Act or to other nonprofit entities that meet the requirements of this section, to promote business incubator programs or for the creation or operation of business incubators in rural areas as defined in this Act, and the interest rate on such loans shall not exceed 5 percent.

"(3) BUSINESS INCUBATOR.—Any business incubator that receives assistance under this title shall be a facility in which small businesses can share premises, support staff, computers, software, hardware, telecommunications terminal equipment, machinery, janitorial services, utilities, or other overhead expenses, and where such businesses can receive technical assistance, financial advice, business planning services, or other support. Business incubator programs that provide assistance of the type described in this paragraph shall be eligible for assistance under this title even if such programs do not involve the sharing of premises.

"(b) APPLICATION FOR ASSISTANCE.—

"(1) ELIGIBILITY TO SUBMIT.—Borrowers under this Act that operate business incubators or that desire to operate such incubators or business incubator programs, and that meet the requirements established by the Administrator for obtaining grants or reduced interest loans under this section, may submit applications for such grants or loans at such time, in such form, and containing such information as the Administrator shall require. Nonprofit entities that are not borrowers under title III shall be considered eligible borrowers for the purpose of this section if such entities are located in a State in which not more than one electric borrower is headquartered in such State.

"(2) REQUIREMENTS.—Applications submitted under paragraph (1) shall, at a minimum—

"(A) contain an assurance that any incubator established or operated pursuant to this section will be operated on a not-for-profit basis; and

"(B) contain an assurance that the policy of such incubator is to encourage and assist businesses in graduating from the incubator and becoming viable business entities in the community and to inform participating businesses of this policy.

"(3) REVIEW.—In reviewing applications for assistance, the Administrator shall consider—

"(A) how effectively the incubator project will assist in the formation, growth, or improved efficiency of small businesses that will help diversify and develop the local economy; and

"(B) the amount of local support likely to exist for the incubator and the businesses to be assisted by such incubator, taking into account local contributions of business, financial, technical, technological, or managerial expertise, and contributions of equipment or materials, local financial assistance, and other factors as determined appropriate by the Administrator.

"(c) FUNDING OF LOCAL INCUBATORS.—

"(1) BY BORROWER ESTABLISHING INCUBATOR.—

"(A) IN GENERAL.—A borrower that establishes or assists a business incubator under this section shall purchase Capital Term Certificates issued by the Incubator Fund in amounts equal to 10 percent of the amount of the grant, or 5 percent of the amount of the reduced interest loan, provided by the Administrator under this section.

"(B) Redemption of certificates.—Each calendar year for the 10-year period beginning on the date that a grant or reduced interest loan is provided under this section, the Administrator shall redeem an amount equal to 10 percent of the Capital Term Certificates purchased by the borrower under subparagraph (A), without any payment of interest.

"(2) By the secretary of the treasury.—The Secretary of the Treasury shall, subject to the limitations contained in annual appropriations Acts, provide funds for the capitalization of the Incubator Fund, and there are authorized to be appropriated for such capitalization not to exceed $10,000,000 annually until the total of such capitalization equals $60,000,000. Such amounts shall remain available until expended by the Incubator Fund for the purposes of this section.

"(d) Repayments to Incubation Fund.—All payments made on loans under this section, and all amounts provided under subsection (c), shall be placed in the Incubator Fund established by subsection (a) and shall be available to carry out the purposes of this section.

"(e) Full Use.—The Administrator shall undertake all reasonable efforts to make full use, during each fiscal year, of any funds contained in the Incubator Fund established under subsection (a), consistent with the requirement that the Incubator Fund redeem Capital Term Certificates as provided by subsection (c). During each fiscal year, 10 percent of the amount contained in the Incubator Fund shall be made available to nonprofit entities described in subsection (b) that are not borrowers under title III, except that if qualified applications from such entities are not received in an amount or at such times sufficient to use such 10 percent amount during any fiscal year, the Administrator shall make the remainder of such amount available to other eligible borrowers during such fiscal year.".

SEC. 2346. EXTENSION SERVICE.

Section 502 of the Rural Development Act of 1972 (7 U.S.C. 2662) is amended by adding at the end the following new subsection:

"(g) Rural Economic and Business Development.—

"(1) In general.—The Secretary shall establish an Extension Service rural economic and business development program to enable States or counties to employ specialists as Cooperative Extension Service staff of the State or county to assist individuals in creating new businesses, including cooperatives, or to assist existing businesses, and to assist such businesses regarding advanced telecommunications, computer technologies, technical or management assistance, business and financial planning, and other related matters, and to assist community leaders in community economic analysis and strategic planning.

"(2) Function of specialists.—Specialists employed under paragraph (1) shall provide economic development information and assistance concerning business creation, business planning and advice, advanced telecommunications, business management, computer operations, and other technical assistance to community leaders and private sector entrepreneurs and cooperatives operating in the State or county that employs such specialists.

"(3) PROCEDURES AND LIMITATIONS.—The Secretary shall establish policies, procedures, and limitations that shall apply to States and counties that desire to participate in the program established under this subsection. States and counties shall determine the types of rural economic and business development specialists that are needed by such States and counties. In States with land-grant colleges and universities eligible to receive funds under the Act of July 2, 1862 (7 U.S.C. 301 et seq.), and the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee University, such eligible institutions shall determine the types of rural economic and business development specialists needed.

"(4) PAYMENT OF SALARY.—The Secretary shall make grants to States and counties that participate in the program established under this section in an amount equal to 60 percent of the total amount of the salary paid to any specialists employed under such program, and the State or county shall provide funds for the remaining 40 percent of such salary. Land-grant colleges and universities eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee University, shall be exempt from the 40 percent salary matching requirement.

"(5) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be appropriated $5,000,000 in fiscal year 1991, $10,000,000 in fiscal year 1992, $15,000,000 in fiscal year 1993, and $20,000,000 in fiscal year 1994 and each subsequent fiscal year. Amounts appropriated under this section shall remain available until expended.

"(6) COORDINATION.—The Secretary shall ensure that the activities of the Extension Service rural economic and business development program established under this subsection are coordinated with the Small Business Administration to ensure that there is no duplication of activities in any local area, county or region.

"(b) RURAL DEVELOPMENT EXTENSION WORK.—

"(1) NATIONAL PROGRAM.—The Secretary of Agriculture shall establish a national program, to be administered by the Extension Service, to provide rural citizens with training in, technical and management assistance regarding, and educational opportunities to enhance their knowledge of—

"(A) beginning businesses through entrepreneurship;

"(B) the procedures necessary to establish new businesses in rural areas;

"(C) self-employment opportunities in rural areas;

"(D) the uses of modern telecommunications and computer technologies;

"(E) business and financial planning; and

"(F) such other training, assistance, and educational opportunities as the Secretary determines are necessary to carry out the program established under this subsection.

"(2) LEADERSHIP ABILITIES.—The program established under this subsection shall provide assistance designed to increase the leadership abilities of residents in rural areas. Such assistance shall include—

"(A) information relevant to the development of community goals;

"(B) instruction regarding the methods by which State or Federal funding for rural development projects might be obtained;

"(C) instruction regarding the successful writing of applications for loan or grant funds from government and private sources;

"(D) an updated listing of State, Federal, and other economic development programs available to rural areas; and

"(E) such other training, information, and assistance as the Secretary determines necessary to increase the leadership abilities of residents in rural areas.

"(3) CATALOG OF PROGRAMS.—The National Rural Information Center Clearinghouse of the National Agricultural Library, in cooperation with the Extension Service in each State, should develop, maintain, and provide to each community, and make accessible to any other interested party, a catalog of available State, Federal, or private programs that provide leadership training or other information or services similar or complementary to the training or services required by this subsection. Such catalog should include, at a minimum, the following entities within the State that provide such training or services:

"(A) Any rural electric cooperative.

"(B) Any nonprofit company development corporation.

"(C) Any economic development district that serves a rural community.

"(D) Any nonprofit subsidiary of any private entity.

"(E) Any nonprofit organization whose principal purpose is to promote economic development in rural areas.

"(F) Any investor or publicly owned electric utility.

"(G) Any small business development center or small business investment company.

"(H) Any regional development organization.

"(I) Any vocational or technical school.

"(J) Any Federal, State, or local government agency or department.

"(K) Any other entity that the Secretary deems appropriate.

The extension service in each State should include in the catalog information on the specific training or services provided by each entity in the catalog.

"(4) EMPLOYEE TRAINING.—The Secretary shall provide training for appropriate State extension service employees, assigned to programs other than rural development, to ensure that such employees understand the availability of rural development programs in their respective States and the availability of Extension Service staff qualified to provide to rural citizens and to State extension staff training and materials for technical, management, and educational assistance.

"(5) COORDINATION OF ASSISTANCE.—The Secretary shall ensure, to the extent practicable, that assistance provided under this subsection is coordinated with and delivered in cooperation

with similar services or assistance provided by other Federal agencies or programs for rural residents.".

SEC. 2347. RURAL TECHNOLOGY GRANTS.

(a) In General.—Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is amended by striking subsection (f) and inserting the following:

"(f)(1) The Secretary shall make grants under this subsection to nonprofit institutions for the purpose of enabling such institutions to establish and operate centers for rural technology or cooperative development.

"(2) Any nonprofit institution seeking a grant under paragraph (1) shall submit to the Secretary an application containing a plan for the establishment and operation by such institution of a center for rural technology or cooperative development. The Secretary may approve such application if such plan contains the following:

"(A) A provision that substantiates that such center will effectively serve rural areas in the United States.

"(B) A provision that the primary objective of such center will be to improve the economic condition of rural areas by promoting the development (through technological innovation, cooperative development, and adaptation of existing technology) and commercialization of—

"(i) new services and products that can be produced or provided in rural areas;

"(ii) new processes that can be utilized in the production of products in rural areas; and

"(iii) new enterprises that can add value to on-farm production through processing or marketing.

"(C) A description of the activities that such center will carry out to accomplish such objective. Such activities may include the following:

"(i) Programs for technology research, investigations, and basic feasibility studies in any field or discipline for the purpose of generating principles, facts, technical knowledge, new technology, or other information that may be useful to rural industries, cooperatives, agribusinesses, and other persons or entities in rural areas served by such centers in the development and commercialization of new products, processes, or services.

"(ii) Programs for the collection, interpretation, and dissemination of principles, facts, technical knowledge, new technology, or other information that may be useful to rural industries, cooperatives, agribusinesses, and other persons in rural areas served by the center in the development and commercialization of new products, processes, or services.

"(iii) Programs providing training and instruction for individuals residing in rural areas served by the center with respect to the development (through technological innovation, cooperative development, and adaptation of existing technology) and commercialization of new products, processes, or services.

"(iv) Programs providing loans and grants to individuals, small businesses, and cooperatives in rural areas served by the center for purposes of generating, evaluating, developing, and commercializing new products, processes, or services.

"(v) Programs providing technical assistance and advisory services to individuals, small businesses, cooperatives, and industries in rural areas served by the center for purposes of developing and commercializing new products, processes, or services.

"(vi) Programs providing research and support to individuals, small businesses, cooperatives, and industries in rural areas served by the center for purposes of developing new agricultural enterprises to add value to on-farm production through processing or marketing.

"(D) A description of the contributions that such activities are likely to make to the improvement of the economic conditions of the rural areas for which such center will provide services.

"(E) Provisions that such center, in carrying out such activities, will seek, where appropriate, the advice, participation, expertise, and assistance of representatives of business, industry, educational institutions, the Federal Government, and State and local governments.

"(F) Provisions that such center—

"(i) will consult with any college or university administering any program under title V of the Rural Development Act of 1972 in the State in which such center is located; and

"(ii) will cooperate with such college or university in the coordination of such activities and such program.

"(G) Provisions that such center will take all practicable steps to develop continuing sources of financial support for such center, particularly from sources in the private sector.

"(H) Provisions for—

"(i) monitoring and evaluating such activities by the institution operating such center; and

"(ii) accounting for money received by such institution under this section.

"(I) Provisions that such center will provide for the optimal application of such technology and cooperative development in rural areas, especially those areas adversely affected by adverse agricultural economic conditions, through the establishment of demonstration projects and subcenters for—

"(i) rural technology development where the technology can be implemented by communities, community colleges, businesses, cooperatives, and other institutions; or

"(ii) cooperative development where such development can be implemented by cooperatives to improve local economic conditions.

"(3) Grants made under paragraph (1) shall be made on a competitive basis. In making grants under paragraph (1), the Secretary shall give preference to grant applications providing for the estab-

lishment of centers for rural technology or cooperative development that—

"(A) can demonstrate the capability to transfer for practical application in rural areas the technology generated at such centers and the ability to commercialize products, processes, services, and enterprises in such rural areas;

"(B) will effectively serve in rural areas that have—

"(i) few rural industries and agribusinesses;

"(ii) high levels of unemployment or underemployment;

"(iii) high rates of outmigration of people, businesses, and industries; and

"(iv) low levels of per capita income; and

"(C) will contribute the most to the improvement of economic conditions of rural areas.

"(4) As used in this subsection:

"(A) The term 'nonprofit institution' means any organization or institution, including an accredited institution of higher education, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

"(B) The term 'United States' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the other territories and possessions of the United States.

"(g) In carrying out subsection (f), the Secretary may provide technical assistance to alleviate or prevent conditions of excessive unemployment or underemployment of persons residing in economically distressed rural areas that the Secretary determines have a substantial need for such assistance. Such assistance shall include planning and feasibility studies, management and operational assistance, and studies evaluating the needs for development potential of projects that increase employment and improve economic growth in such areas.

"(h) The Secretary may make grants to defray not to exceed 75 percent of the administrative costs incurred by organizations and public bodies to carry out projects for which grants or loans are made under subsection (f). For purposes of determining the non-Federal share of such costs, the Secretary shall consider contributions in cash and in kind, fairly evaluated, including but not limited to premises, equipment, and services.".

(b) LIMITATION ON AUTHORIZATION OF APPROPRIATIONS.—To carry out subsections (f) and (h) of section 310B of the Consolidated Farm and Rural Development Act, there are authorized to be appropriated to the Secretary not to exceed $50,000,000 for each of the fiscal years 1992, 1993, and 1994.

SEC. 2348. DEMONSTRATION PROJECTS.

The Secretary shall establish a program of competitive grants to rural areas to serve as demonstration areas for rural economic development and as models of such development for other areas. In awarding such grants, the Secretary shall favorably consider a request for funds from a rural area that the Secretary determines—

(1) demonstrates the ability to supplement the grant funds provided under this section with other funds from State, local, or private sources;

(2) demonstrates the ability to use the grant funds to increase employment in the area; and

(3) can successfully serve as a demonstration area to share the results of the project to the benefit of other rural areas in the region.

SEC. 2349. RURAL DEVELOPMENT RESEARCH ASSISTANCE.

Section 502 of the Rural Development Act of 1972 (7 U.S.C. 2662) is amended by adding after the subsection added by section 2346 of this Act the following:

"(h) RESEARCH GRANTS.—

"(1) IN GENERAL.—In addition to the programs already conducted under this section, the Secretary shall also establish and carry out a program to award competitive research grants to land-grant colleges and universities, research foundations, and centers established by land-grant universities, State agricultural experiment stations, and to all colleges and universities having demonstrable capability in rural development research, as determined by the Secretary, to carry out research to—

"(A) determine factors which impact upon rural economic development whether favorably or unfavorably;

"(B) estimate the relative impacts of these factors;

"(C) develop methodologies to investigate policy options for rural economic development;

"(D) evaluate the impact of Federal and State economic development policies and programs designed to improve economic competitiveness and diversification;

"(E) support strategic planning for economic investments;

"(F) improve human resources; and

"(G) improve the data base for rural development decisionmaking in rural areas.

"(2) LIMITATION ON AUTHORIZATION OF APPROPRIATIONS.—To carry out this subsection, there are authorized to be appropriated to the Secretary not to exceed $3,000,000 in each fiscal year. Amounts appropriated under this subsection shall remain available until expended.".

SEC. 2350. ASSISTANT ADMINISTRATOR FOR ECONOMIC DEVELOPMENT.

The Rural Electrification Act of 1936 is amended by inserting after section 11 (7 U.S.C. 911) the following new section:

"SEC. 11A. ASSISTANT ADMINISTRATOR FOR ECONOMIC DEVELOPMENT.

"(a) APPOINTMENT.—The Administrator shall appoint an Assistant Administrator for Economic Development (in this Act referred to as the 'Assistant Administrator') to carry out the programs of the Rural Electrification Administration concerning the involvement of rural electric and telephone systems in community and economic development.

"(b) APPOINTMENT FACTORS.—In appointing the Assistant Administrator, the Administrator shall consider the degree to which candidates possess—

"(1) knowledge of and experience in community and economic development programs and strategies;

"(2) the ability to develop and manage the specific programs and responsibilities of this office, as described in this Act;

"(3) the ability to work effectively with officials of Federal, State, and local governments, private, and other officials of development programs, as well as with borrowers of the Rural Electrification Administration and their associations; and

"(4) other factors determined by the Administrator to be important in the successful execution of the responsibilities of the office of Assistant Administrator.

"(c) RESPONSIBILITIES AND COMPENSATION.—The Assistant Administrator shall be—

"(1) responsible, unless otherwise provided by law, for the administration of the programs of the Rural Electrification Administration not directly related to the providing of electric or telephone service; and

"(2) compensated at a salary level that is not less than that of the Assistant Administrator for Electric and the Assistant Administrator for Telephone of the Rural Electrification Administration.

"(d) FUNDING.—The Assistant Administrator shall use not less than 10 percent nor more than 20 percent of the salaries and expenses provided to the Administration during any fiscal year to carry out the responsibilities described in subsection (c)(1), and such amounts shall remain available until expended.

"(e) TECHNICAL ASSISTANCE UNIT.—The Administrator shall establish a technical assistance unit to provide advice and guidance to borrowers concerning community and economic development activities permitted under this Act. From the amounts made available to the Assistant Administrator under subsection (d), not less than 1 percent of the salaries and expenses of the Rural Electrification Administration shall be made available to such technical assistance unit established under this subsection.".

Subtitle F—Rural Electrification Provisions

SEC. 2351. SHORT TITLE; AMENDMENT OF RURAL ELECTRIFICATION ACT OF 1936.

(a) SHORT TITLE.—This subtitle may be cited as the "Rural Telecommunications Improvements Act of 1990".

(b) AMENDMENT OF RURAL ELECTRIFICATION ACT OF 1936.—Except as otherwise expressly provided, wherever in this subtitle an amendment is expressed in terms of an amendment to a section or other provision, the reference shall be considered to be made to a section or other provision of the Rural Electrification Act of 1936.

SEC. 2352. FINDINGS; STATEMENT OF POLICY.

(a) FINDINGS.—The Congress finds that—

(1) making modern telecommunications technology and services available in rural areas in the United States promotes economic development and improves the quality of life in rural areas; and

(2) the efficient operation of the Rural Telephone Bank and the Rural Electrification Administration telephone loan programs is essential to the continued development of the telecommunications infrastructure in rural areas in the United States.

(b) STATEMENT OF POLICY.—It is the policy of the Congress that the Rural Telephone Bank and the Rural Electrification Administration make loans that facilitate the development and enhancement of the rural telecommunications infrastructure in order to make modern telecommunications technology and services available at reasonable rates to the greatest practicable number of people in rural areas in the United States.

CHAPTER 1—AMENDMENT TO TITLE I OF THE RURAL ELECTRIFICATION ACT OF 1936

SEC. 2353. GENERAL PROHIBITIONS.

Title I (7 U.S.C. 901 et seq.) is amended by adding after the section added by section 2343 of this Act the following new section:

"SEC. 18. GENERAL PROHIBITIONS.

"The Administrator and the Governor of the telephone bank shall not deny or reduce any loan or loan advance under this Act based on a borrower's level of general funds.".

CHAPTER 2—AMENDMENTS RELATING TO TITLE II OF THE RURAL ELECTRIFICATION ACT OF 1936

SEC. 2354. UPDATED DEFINITION OF TELEPHONE SERVICE.

Section 203(a) (7 U.S.C. 924(a)) is amended—

(1) by inserting "or reception" after "transmission";

(2) by inserting "data," after "voice,"; and

(3) by striking "through the use of electricity between the transmitting and receiving apparatus" and inserting "by wire, fiber, radio, light, or other visual or electromagnetic means".

SEC. 2355. LOAN FEASIBILITY.

Title II (7 U.S.C. 922 et seq.) is amended by adding at the end the following new section:

"SEC. 204. LOAN FEASIBILITY.

"The Administrator and the Governor of the telephone bank may not, as a condition of making a telephone loan to an applicant therefor, require the applicant to—

"(1) increase the rates charged to the applicant's customers or subscribers; or

"(2) increase the applicant's ratio of—

"(A) net income or margins before interest; to

"(B) the interest requirements on all of the applicant's outstanding and proposed loans.".

SEC. 2356. ENCOURAGEMENT OF INVESTMENT BY TELEPHONE BORROWERS IN RURAL DEVELOPMENT PROJECTS.

Title II (7 U.S.C. 922 et seq.) is amended by adding after the section added by section 2355 of this Act the following new section:

"SEC. 205. CERTAIN RURAL DEVELOPMENT INVESTMENTS BY QUALIFIED TELEPHONE BORROWERS NOT TREATED AS DIVIDENDS OR DISTRIBUTIONS.

"(a) IN GENERAL.—The Administrator and the Governor of the telephone bank shall not—

"(1) treat any amount invested by any qualified telephone borrower for any purpose described in section 607(c)(2) of the Rural Development Act of 1972 (including any investment in, or extension of credit, guarantee, or advance made to, an affiliated company of the borrower, that is used by such company for such a purpose) as a dividend or distribution of capital to the extent that, immediately after such investment, the aggregate of such investments does not exceed ⅓ of the net worth of the borrower; or

"(2) require a qualified telephone borrower to obtain the approval of the Administrator or the Governor of the telephone bank in order to make an investment described in paragraph (1).

"(b) QUALIFIED TELEPHONE BORROWER DEFINED.—As used in subsection (a), the term 'qualified telephone borrower' means a person—

"(1) to whom a telephone loan has been made or guaranteed under this Act; and

"(2) whose net worth is at least 20 percent of the total assets of such person.".

SEC. 2357. IMPROVEMENTS IN TELEPHONE PROGRAM.

Title II (7 U.S.C. 922 et seq.) is amended by adding after the sections added by sections 2355 and 2356 of this Act the following new section:

"SEC. 206. GENERAL DUTIES AND PROHIBITIONS.

"(a) DUTIES.—The Administrator and the Governor of the telephone bank shall—

"(1) notwithstanding section 553(a)(2) of title 5, United States Code, cause to be published in the Federal Register, in accordance with subsections (b) through (e) of section 553 of such title, all rules, regulations, bulletins, and other written policy standards governing the operations of the telephone loan and loan guarantee programs administered under this Act other than those relating to agency management and personnel;

"(2) in evaluating the feasibility of a telephone loan to be made to a borrower for telephone services, use—

"(A) with respect to items for which the regulatory authority with jurisdiction over the provision of such services has approved the depreciation rates used by the borrower, such approved rates; and

"(B) with respect to other items, the average of the depreciation rates used by borrowers of telephone loans made under this Act;

"(3) annually determine and publish the average described in paragraph (2)(B); and

"(4) make loans for all purposes for which telephone loans are authorized under section 201 or 408, to the extent of qualifying applications therefor.

"(b) PROHIBITIONS.—The Administrator and the Governor of the telephone bank shall not—

"(1) rescind an insured telephone loan, or a Rural Telephone Bank loan, made under this Act without the consent of the borrower, unless all of the purposes for which telephone loans have been made to the borrower under this Act have been accomplished with funds provided under this Act;

"(2) regulate the order or sequence of advances of funds under telephone loans made under this Act to any borrower who has received any combination of telephone loans from the Rural Electrification Administration, the Rural Telephone Bank, or the Federal Financing Bank; or

"(3) deny a loan or advance to, or take any other adverse action against, an applicant for, or a borrower of, a telephone loan under this Act for any reason that is not based on a rule, regulation, bulletin, or other written policy standard that has not been published pursuant to section 553 of title 5, United States Code.".

SEC. 2358. PROMPT PROCESSING OF TELEPHONE LOANS.

Title II (7 U.S.C. 922 et seq.) is amended by adding after the sections added by sections 2355, 2356, and 2357 of this Act the following new section:

"SEC. 207. PROMPT PROCESSING OF TELEPHONE LOANS.

"Within ten days after the end of the second and fourth calendar quarters of each year, the Administrator shall submit to the Committee on Agriculture and the Committee on Appropriations of the House of Representatives, and to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Appropriations of the Senate, a report—

"(1) identifying each completed application for a telephone loan under section 305, a guarantee of a telephone loan under section 306, or a loan under section 408, that has not been finally acted upon within ninety days after the date the completed application is submitted; and

"(2) stating the reasons for the failure to finally act upon the completed applications within such ninety-day period.".

CHAPTER 3—AMENDMENTS RELATING TO TITLE III OF THE RURAL ELECTRIFICATION ACT OF 1936

SEC. 2359. CREATION OF SEPARATE ELECTRIC AND TELEPHONE ACCOUNTS WITHIN RURAL ELECTRIC AND TELEPHONE REVOLVING FUND.

Section 302 (7 U.S.C. 932) is amended by adding at the end the following new subsection:

"(c)(1) The Administrator shall maintain two separate accounts within the fund, which shall be known as the electric account and the telephone account, respectively.

"(2)(A) The Administrator shall account for the assets, liabilities, income, expenses, and equity of the fund attributable to electrification loan operations in the electric account.

"(B) The Administrator shall account for the assets, liabilities, income, expenses, and equity of the fund attributable to telephone loan operations in the telephone account.

"(3)(A) The assets accounted for in the electric account shall be available solely for electrification loan operations under this Act.

"(B) The assets accounted for in the telephone account shall be available solely for telephone loan operations under this Act (other than under title IV).".

SEC. 2360. BORROWERS TO DETERMINE AMORTIZATION PERIOD FOR INSURED TELEPHONE LOANS.

Section 309 (7 U.S.C. 940) is amended—

(1) by striking "SEC. 309. LOAN TERMS AND CONDITIONS.—Loans made from or" and inserting the following:

"SEC. 309. LOAN TERMS AND CONDITIONS.

"(a) IN GENERAL.—Loans made from or"; and

(2) by adding at the end the following new subsection:

"(b) TELEPHONE LOANS UNDER THIS TITLE.—The term of any telephone loan made under this title shall be determined by the borrower at the time the loan application is submitted.".

SEC. 2361. TIER REQUIREMENT FOR INSURED TELEPHONE LOANS.

Section 305 (7 U.S.C. 935) is amended by adding at the end the following new subsection:

"(d) The Administrator shall make a telephone loan under this title to an applicant therefor who is otherwise qualified to receive such a loan at the highest interest rate (but not less than the lowest interest rate, nor higher than the highest interest rate, specified in subsection (b)) at which the borrower would be capable of producing net income or margins before interest payments of at least 100 percent (but not more than 150 percent) of the interest requirements on all of the applicant's outstanding and proposed loans.".

SEC. 2362. CLARIFICATION OF TELEPHONE LOAN GUARANTEE AUTHORITY.

Section 306 (7 U.S.C. 936) is amended by inserting after the first sentence the following new sentence: "The Administrator shall not provide such assistance to any borrower of a telephone loan under this Act unless the borrower specifically applies for such assistance.".

CHAPTER 4—AMENDMENTS RELATING TO TITLE IV OF THE RURAL ELECTRIFICATION ACT OF 1936

SEC. 2363. MODIFICATION OF RURAL TELEPHONE BANK BOARD.

(a) IN GENERAL.—Section 405 (7 U.S.C. 945) is amended by striking all that precedes subsection (g) and inserting the following:

"SEC. 405. BOARD OF DIRECTORS.

"(a) IN GENERAL.—The management of the telephone bank, within the limitations prescribed by law, shall be vested in a board of directors (in this title referred to as the 'Telephone Bank Board').

"(b) MEMBERSHIP.—The Telephone Bank Board shall consist of thirteen individuals, as follows:

"(1) PRESIDENTIAL APPOINTEES.—The President shall appoint seven individuals to serve on the Telephone Bank Board who shall serve at the pleasure of the President—

"(A) five of whom shall be officers or employees of the Department of Agriculture and not officers or employees of the Rural Electrification Administration; and

"(B) two of whom shall be from the general public and not officers or employees of the Federal Government.

"(2) COOPERATIVE MEMBERS.—The cooperative-type entities, and organizations controlled by such entities, that hold class B or class C stock shall elect three individuals to serve on the Telephone Bank Board for a term of two years, by a plurality vote of the stockholders voting in the election.

"(3) COMMERCIAL MEMBERS.—The commercial-type entities, and the organizations controlled by such entities, that hold class B or class C stock shall elect three individuals to serve on the Telephone Bank Board for a term of two years, by a plurality vote of the stockholders voting in the election.

"(c) ELECTIONS.—

"(1) VALIDITY.—An election under paragraph (2) or (3) of subsection (b) shall not be considered valid unless a majority of the stockholders eligible to vote in the election have voted in the election.

"(2) BALLOTING.—Balloting in an election under paragraph (2) or (3) of subsection (b) shall be conducted by mail pursuant to the procedures authorized in the bylaws of the telephone bank.

"(3) NO CUMULATIVE VOTING.—Cumulative voting shall not be permitted in any election under paragraph (2) or (3) of subsection (b).

"(d) COMPENSATION.—

"(1) IN GENERAL.—Except as provided in paragraph (2), each member of the Telephone Bank Board shall receive $100 per day for each day or part thereof, not to exceed fifty days per year, spent in the performance of their official duties, and shall be reimbursed for travel and other expenses in such manner and subject to such limitations as the Telephone Bank Board may prescribe.

"(2) EXCEPTIONS.—The five members of the Telephone Bank Board appointed under subsection (b)(1)(A) shall not receive compensation by reason of their service on the Telephone Bank Board.

"(e) SUCCESSION.—A member of the Telephone Bank Board may serve after the expiration of the term of office of such member until the successor for such member has taken office.

"(f) CHAIRPERSON.—The members of the Telephone Bank Board shall elect one of such members to be the Chairperson of the Board, in accordance with the bylaws of the telephone bank. The Chairperson shall preside at all meetings of the Board and may vote on a matter before the Board unless the vote would result in a tie vote on the matter.".

(b) CONFORMING AMENDMENTS.—

(1) SECTION 405 AMENDMENTS.—Section 405 (7 U.S.C. 945) is amended—

(A) in subsection (g) by striking "(g) The" and inserting "(g) BYLAWS.—The";

(B) in subsection (h) by striking "(h) The" and inserting "(h) MEETINGS.—The"; and

(C) in subsection (i) by striking "(i) The" and inserting "(i) ANNUAL REPORT.—The".

(2) SECTION 410(a)(2) AMENDMENT.—Section 410(a)(2) (7 U.S.C. 950(a)(2)) is amended by striking "405(b)" and inserting "405(b)(1)(A)".

(c) APPLICABILITY OF SUNSHINE ACT.—Section 405 (7 U.S.C. 945) is amended by adding at the end the following:

"(j) OPEN MEETINGS.—For purposes of section 552b of title 5, United States Code, the Telephone Bank Board shall be treated as an agency within the meaning of subsection (a)(1) of such section.".

SEC. 2364. PRO RATA PURCHASE OF RURAL TELEPHONE BANK STOCK BY RURAL TELEPHONE BANK BORROWERS.

The second sentence of section 406(d) (7 U.S.C. 946(d)) is amended by inserting ", by paying an amount equal to 5 per centum of the amount of each loan advance, at the time of such advance" before the period.

SEC. 2365. CLARIFICATION OF AUTHORITY TO SET RURAL TELEPHONE BANK LOAN LEVELS.

Section 408(a) (7 U.S.C. 948(a)) is amended by striking "is authorized on behalf of the telephone bank to make loans," and inserting "shall make loans on behalf of the telephone bank, to the extent that there are qualifying applications therefor, subject only to limitations as to amounts authorized for loans and advances as may be imposed by law enacted by the Congress of the United States for loans to be made in any one year, and".

SEC. 2366. BORROWERS TO DETERMINE AMORTIZATION PERIOD FOR RURAL TELEPHONE BANK LOANS.

Section 408 (7 U.S.C. 948) is amended by adding at the end the following new subsection:

"(d)(1) Except as provided in paragraph (2), the term of any loan made under this title shall be determined by the borrower at the time the application for the loan is submitted.

"(2) The term of any loan made under this title shall not exceed the maximum term for which a loan may be made under section 4.".

SEC. 2367. TECHNICAL AMENDMENTS RELATING TO THE RURAL TELEPHONE BANK PROVISIONS OF THE OMNIBUS BUDGET RECONCILIATION ACT OF 1987.

(a) SECTION 406(h) AMENDMENTS.—Section 406(h) (7 U.S.C. 946(h)) is amended—

(1) by inserting after the second sentence "All amounts so transferred shall not be transferred, directly or indirectly, to the reserve for contingencies."; and

(2) by striking "Rural Telephone Bank Borrowers Fairness" and inserting "Omnibus Budget Reconciliation".

(b) SECTION 408(b)(3) AMENDMENTS.—Section 408(b)(3) (7 U.S.C. 948(b)(3)) is amended—

(1) in subparagraph (B), by striking "paragraph" and inserting "subparagraph";

(2) in subparagraph (D)(ii), by adding at the end the following: "For purposes of the calculation under this subparagraph, such rate shall be zero."; and

(3) in subparagraph (E), by striking "subparagraph" the second place such term appears and inserting "paragraph".

CHAPTER 5—EFFECTIVE DATE

SEC. 2368. EFFECTIVE DATE.

(a) In General.—Except as provided in subsection (b), this subtitle and the amendments made by this subtitle shall take effect on the date of enactment of this Act.

(b) Technical Amendments.—The amendments made by section 2367 shall take effect as if such amendments had been included in chapter 2 of subtitle D of title I of the Omnibus Budget Reconciliation Act of 1987 on the date of enactment of such chapter.

Subtitle G—Rural Revitalization Through Forestry

CHAPTER 1—FORESTRY RURAL REVITALIZATION

SEC. 2371. FORESTRY RURAL REVITALIZATION.

(a) Establishment of Economic Development and Global Marketing Program.—The Secretary of Agriculture, acting through the Extension Service and the Cooperative Extension System, and in consultation with the Forest Service, shall establish and implement educational programs and provide technical assistance to assist businesses, industries, and policymakers to create jobs, raise incomes, and increase public revenues in manners consistent with environmental concerns.

(b) Activities.—Each program established under subsection (a) shall—

(1) transfer technologies to natural resource-based industries in the United States to make such industries more efficient, productive, and competitive;

(2) assist businesses to identify global marketing opportunities, conduct business on an international basis, and market themselves more effectively; and

(3) train local leaders in strategic community economic development.

(c) Types of Programs.—The Secretary of Agriculture shall establish specific programs under subsection (a) to—

(1) deliver educational services focused on community economic analysis, economic diversification, economic impact analysis, retention and expansion of existing commodity and noncommodity industries, amenity resource and tourism development, and entrepreneurship focusing on forest lands and rural communities;

(2) use Cooperative Extension System databases and analytical tools to help communities diversify their economic bases, add value locally to raw forest product materials, and retain revenues by helping to develop local businesses and industries to supply forests products locally; and

(3) use the full resources of the Cooperative Extension Service, including land-grant universities and county offices, to promote economic development that is sustainable and environmentally sound.

CHAPTER 2—NATIONAL FOREST-DEPENDENT RURAL COMMUNITIES

SEC. 2372. SHORT TITLE.

This chapter may be cited as the "National Forest-Dependent Rural Communities Economic Diversification Act of 1990".

SEC. 2373. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) the economic well-being of rural America is vital to our national growth and prosperity;

(2) the economic well-being of many rural communities depends upon the goods and services that are derived from national forests;

(3) the economies of many of these communities suffer from a lack of industrial and business diversity;

(4) this lack of diversity is particularly serious in communities whose economies are predominantly dependent on timber and recreation resources and where management decisions made on the national forests by Federal and private organizations may disrupt the supply of those resources;

(5) the Forest Service has expertise and resources that could be directed to promote modernization and economic diversification of existing industries and services based on forest resources;

(6) the Forest Service has the technical expertise to provide leadership, in cooperation with other governmental agencies and the private sector, to assist rural communities dependent upon national forest resources to upgrade existing industries and diversify by developing new economic activity in non-forest-related industries; and

(7) technical assistance, training, education, and other assistance provided by the Department of Agriculture can be targeted to provide immediate help to those rural communities in greatest need.

(b) PURPOSES.—The purposes of this chapter are—

(1) to provide assistance to rural communities that are located in or near national forests and that are economically dependent upon forest resources or are likely to be economically disadvantaged by Federal or private sector land management practices;

(2) to aid in diversifying such communities' economic bases; and

(3) to improve the economic, social, and environmental well-being of rural America.

SEC. 2374. DEFINITIONS.

As used in this chapter:

(1) The term "action team" means a rural forestry and economic diversification action team established by the Secretary pursuant to section 2375(b).

(2) The term "economically disadvantaged" means economic hardship due to the loss of jobs or income (labor or proprietor) derived from forestry, the wood products industry, or related commercial enterprises such as recreation and tourism in the national forest.

(3) The term "rural community" means—

(A) any town, township, municipality, or other similar unit of general purpose local government having a population of not more than 10,000 individuals (according to the latest decennial census) that is located in a county where at least 15 percent of the total primary and secondary labor and proprietor income is derived from forestry, wood products, and forest-related industries such as recreation and tourism; or

(B) any county or similar unit of general purpose local government having a population of not more than 22,550 individuals (according to the latest decennial census) in which at least 15 percent of the total primary and secondary labor and proprietor income is derived from forestry, wood products, and forest-related industries such as recreation and tourism,

that is located within the boundary, or within 100 miles of the boundary, of a national forest.

(4) The term "Secretary" means the Secretary of Agriculture.

SEC. 2375. RURAL FORESTRY AND ECONOMIC DIVERSIFICATION ACTION TEAMS.

(a) REQUESTS FOR ASSISTANCE.—Economically disadvantaged rural communities may request assistance from the Secretary in identifying opportunities that will promote economic improvement and diversification and revitalization.

(b) ESTABLISHMENT.—Upon request, the Secretary may establish rural forestry and economic diversification action teams to prepare an action plan to provide technical assistance to economically disadvantaged communities. The action plan shall identify opportunities to promote economic diversification and enhance local economies now dependent upon national forest resources. The action team may also identify opportunities to use value-added products and services derived from national forest resources.

(c) ORGANIZATION.—The Secretary shall design and organize any action team established pursuant to subsection (b) to meet the unique needs of the requesting rural community. Each action team shall be directed by an employee of the Forest Service and may include personnel from other agencies within the Department of Agriculture, from other Federal and State departments and agencies, and from the private sector.

(d) COOPERATION.—In preparing action plans, the Secretary may cooperate with State and local governments, universities, private companies, individuals, and nonprofit organizations for procurement of services determined necessary or desirable.

(e) ELIGIBILITY.—The Secretary shall ensure that no substantially similar geographical or defined local area in a State receives a grant for technical assistance to an economically disadvantaged community under this chapter and a grant for assistance under a designated rural development program, as defined in section 365(b)(2) of the Consolidated Farm and Rural Development Act, during any continuous five-year period.

(f) APPROVAL.—After reviewing requests under this section for financial and economic feasibility and viability, the Secretary shall

approve and implement in accordance with section 2376 those action plans that will achieve the purposes of this chapter.

SEC. 2376. ACTION PLAN IMPLEMENTATION.

(a) In General.—Action plans shall be implemented, insofar as practicable, to upgrade existing industries to use forest resources more efficiently and to expand the economic base of rural communities so as to alleviate or reduce their dependence on national forest resources.

(b) Assistance.—To implement action plans, the Secretary may make grants and enter into cooperative agreements and contracts to provide necessary technical and related assistance. Such grants, cooperative agreements, and contracts may be with the affected rural community, State and local governments, universities, corporations, and other persons.

(c) Limitation.—The Federal contribution to the overall implementation of an action plan shall not exceed 80 percent of the total cost of the plan, including administrative and other costs. In calculating the Federal contribution, the Secretary shall take into account the fair market value of equipment, personnel, and services provided.

(d) Available Authority.—The Secretary may use the Secretary's authority under the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101 et seq.) and other Federal, State, and local governmental authorities in implementing action plans.

(e) Consistency With Forest Plans.—The implementation of action plans shall be consistent with land and resource management plans.

SEC. 2377. TRAINING AND EDUCATION.

(a) Programs.—In furtherance of an action plan, the Secretary may use the Extension Service and other appropriate agencies of the Department of Agriculture to develop and conduct education programs that assist businesses, elected or appointed officials, and individuals in rural communities to deal with the effects of a transition from being economically disadvantaged to economic diversification. These programs may include—

(1) community economic analysis and strategic planning;

(2) methods for improving and retooling enterprises now dependent on national forest resources;

(3) methods for expanding enterprises and creating new economic opportunities by emphasizing economic opportunities in other industries or services not dependent on national forest resources; and

(4) assistance in the evaluation, counseling, and enhancement of vocational skills, training in basic and remedial literacy skills, assistance in job seeking skills, and training in starting or operating a business enterprise.

(b) Existing Educational and Training Programs.—Insofar as practicable, the Secretary shall use existing Federal, State, and private education resources in carrying out these programs.

SEC. 2378. LOANS TO ECONOMICALLY DISADVANTAGED RURAL COMMUNITIES.

(a) In General.—The Secretary, under such terms and conditions as the Secretary shall establish, may make loans to economically

disadvantaged rural communities for the purposes of securing technical assistance and services to aid in the development and implementation of action plans, including planning for—

(1) improving existing facilities in the community that may generate employment or revenue;

(2) expanding existing infrastructure, facilities, and services to capitalize on opportunities to diversify economies now dependent on national forest resources; and

(3) supporting the development of new industries or commercial ventures unrelated to national forest resources.

(b) INTEREST RATES.—The interest rates on a loan made pursuant to this section shall be as determined by the Secretary, but not in excess of the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the maturity of such loan, plus not to exceed 1 percent, as determined by the Secretary, and rounded to the nearest one-eighth of 1 percent.

SEC. 2379. AUTHORIZATION OF APPROPRIATIONS AND SPENDING AUTHORITY.

(a) AUTHORIZATION OF APPROPRIATIONS.—Except as provided in subsection (b), there are authorized to be appropriated—

(1) an amount not to exceed 5 percent of the sum of—

(A) the sums received by the Secretary from sales of timber and other products of the forests; and

(B) user fees paid in connection with the use of forest lands; and

(2) such additional sums as may be necessary to carry out the purposes of this chapter.

(b) LIMITATION ON AUTHORIZATION.—Subsection (a) shall not in any way affect payments to the States pursuant to chapter 192 of the Act of May 23, 1908 (16 U.S.C. 500).

(c) SPENDING AUTHORITY.—Any spending authority (as defined in section 401 of the Congressional Budget Act of 1974) provided in this chapter shall be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

Subtitle H—Miscellaneous Provisions

SEC. 2381. NATIONAL RURAL INFORMATION CENTER CLEARINGHOUSE.

(a) ESTABLISHMENT.—The Secretary shall establish, within the National Agricultural Library, in coordination with the Extension Service, a National Rural Information Center Clearinghouse (in this section referred to as the "Clearinghouse") to perform the functions specified in subsection (b).

(b) FUNCTIONS.—The Clearinghouse shall provide and distribute information and data to any industry, organization, or Federal, State, or local government entity, on request, about programs and services provided by Federal, State, and local agencies and private nonprofit organizations and institutions under which individuals residing in, or organizations and State and local government entities operating in, a rural area may be eligible for any kind of assistance, including job training, education, health care, and economic development assistance, and emotional and financial counseling. To

the extent possible, the National Agricultural Library shall use telecommunications technology to disseminate information to rural areas.

(c) FEDERAL AGENCIES.—On request of the Secretary, the head of a Federal agency shall provide to the Clearinghouse such information as the Secretary may request to enable the Clearinghouse to carry out subsection (b).

(d) STATE AND LOCAL AGENCIES AND NONPROFIT ORGANIZATIONS.—The Secretary shall request State and local governments and private nonprofit organizations and institutions to provide to the Clearinghouse such information as such agencies and organizations may have about any program or service of such agencies, organizations, and institutions under which individuals residing in a rural area may be eligible for any kind of assistance, including job training, educational, health care, and economic development assistance, and emotional and financial counseling.

(e) LIMITATION ON AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be appropriated $500,000 for each of the fiscal years 1991 through 1995.

SEC. 2382. MONITORING THE ECONOMIC PROGRESS OF RURAL AMERICA.

(a) BUREAU OF THE CENSUS.—The Director of the Bureau of the Census shall expand the data collection efforts of the Bureau to enable the Bureau to collect statistically significant data concerning the changing economic condition of rural counties and communities in the United States, including data on rural employment, poverty, income, and other information concerning the rural labor force.

(b) LIMITATION ON AUTHORIZATION OF APPROPRIATIONS.—To carry out subsection (a), there are authorized to be appropriated $1,000,000 for each fiscal year.

SEC. 2383. LOAN RATES APPLICABLE TO CERTAIN LOANS UNDER THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT.

Section 307(a)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(3)) is amended—

(1) in subparagraph (A), by striking "guranteed" and inserting "guaranteed"; and

(2) by adding at the end the following new subparagraph:

"(C) Notwithstanding subparagraph (A), the Secretary shall establish loan rates for health care and related facilities based solely on the income of the area to be served, and such rates shall be otherwise consistent with such subparagraph.".

SEC. 2384. ASSISTANCE FOR CERTAIN DISTRESSED COMMUNITY FACILITY PROGRAM BORROWERS.

(a) AMENDMENT.—The Consolidated Farm and Rural Development Act is amended by inserting after section 353 (7 U.S.C. 2001) the following new section:

"SEC. 353A. DEBT RESTRUCTURING AND LOAN SERVICING FOR COMMUNITY FACILITY LOANS.

"The Secretary shall establish and implement a program that is similar to the program established under section 353, except that the debt restructuring and loan servicing procedures shall apply to delinquent community facility program loans (rather than delinquent farmer program loans) made by the Farmers Home Administration to a hospital or health care facility under section 306(a).".

(b) Regulations.—Not later than 120 days after the date of enactment of this Act, the Secretary shall promulgate regulations, modeled after those promulgated under such section 353, that implement the program established under section 353A of the Consolidated Farm and Rural Development Act.

SEC. 2385. ANALYSIS BY OFFICE OF TECHNOLOGY ASSESSMENT.

(a) In General.—The Office of Technology Assessment shall include, in a study of the effects of information age technology on rural America, an analysis of the feasibility of ensuring that rural citizens in their homes and schools have the ability to acquire, by computer, information in a national library.

(b) Contents.—In conducting the analysis under subsection (a), the Office of Technology Assessment shall—

(1) evaluate, in consultation with the Librarian of Congress, the costs and benefits of establishing a national library whose volumes, periodicals, instructional materials, sound and video resources, and other data are accessible to individuals through their personal computers;

(2) assess the technological, regulatory, or other impediments to the establishment of the library and information retrieval system described in paragraph (1), and the length of time required to establish such a library and retrieval system;

(3) describe the potential for the library and information described in paragraph (1) to provide rural citizens the opportunity to study and explore foreign languages, geography, math, science, history, or other interests, and to exchange scholarly information and ideas with other users, and otherwise to engage in interactive study; and

(4) recommend to the Congress the measures that should be taken to establish the library and retrieval system described in paragraph (1).

SEC. 2386. GRANTS TO BROADCASTING SYSTEMS.

Section 310B(f) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(f)) is amended by adding at the end the following new paragraph:

"(4) The Secretary may make grants to statewide private nonprofit public television systems, whose coverage area is predominately rural, for the purpose of demonstrating the effectiveness of such systems in providing information on agriculture and other issues of importance to farmers and other rural residents. Grants available under this paragraph may be used for capital equipment expenditures, start-up and program costs, and other costs necessary to the operation of such demonstrations.".

SEC. 2387. MERGER OF CERTAIN RURAL ELECTRIC COOPERATIVES.

Section 306B of the Rural Electrification Act of 1936 (7 U.S.C. 936b) is amended—

(1) by inserting "(a)" before "A direct"; and

(2) by adding at the end the following new subsection:

"(b) Notwithstanding subsection (a), a direct or insured loan may be prepaid by an electric borrower at the lesser of the outstanding principal balance due thereon or the present value thereof discounted from the face value at maturity at the rate set by the Adminis-

trator if the borrower is an electrical organization which resulted from a merger or consolidation between a borrower and an organization which, prior to October 1, 1987, prepaid its direct or insured loans pursuant to this section. Prepayments by a borrower hereunder shall be made not later than one year after the effective date of the merger, consolidation, or other transaction. The discount rate to be set by the Administrator for direct or insured loans prepayments hereunder shall be based on the current cost of funds to the Department of the Treasury for obligations of comparable maturity to those being prepaid. If a borrower prepays using tax exempt financing, the discount shall be adjusted to make the discount equivalent to fully taxable financing. The borrower shall certify in writing whether the financing will be tax exempt and shall comply with such other terms and conditions as the Administrator may establish which are reasonable and necessary to implement this provision. As used in this section, the term 'direct loan' means a loan made under section 4.".

SEC. 2388. TECHNICAL CORRECTIONS.

(a) SECTION 308 AMENDMENTS.—Section 308 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1928) is amended—

(1) in paragraph (a), by striking "prescribe,;" and inserting "prescribe;"; and

(2) by redesignating paragraphs (a) and (b), as paragraphs (1) and (2), respectively.

(b) AMENDMENT TO SECTION 310B(a).—Section 310B(a) of such Act (7 U.S.C. 1932(a)) is amended by striking "subsections (a) and (c)" and inserting "paragraphs (1) and (3)".

(c) SECTION 310B(d) AMENDMENTS.—Section 310B(d) of such Act (7 U.S.C. 1932(d)) is amended—

(1) by moving paragraphs (4), (5), and (6) two ems to the left so that the left margin of such paragraphs is aligned with the left margin of paragraph (3);

(2) in paragraph (3), by striking "paragraph (1) and (2)" and inserting "paragraphs (2) and (3)";

(3) by redesignating paragraphs (1) through (6) as paragraphs (2) through (7), respectively; and

(4) by inserting "(1)" after "(d)".

(d) AMENDMENTS RELATING TO SECTION 331.—

(1) SECTION 331 AMENDMENTS.—Section 331 of such Act (7 U.S.C. 1981) is amended—

(A) in the second undesignated subsection—

(i) by moving paragraphs (f), (g), (h), and (i) two ems to the right so that the left margin of each of such paragraphs is aligned with the left margin of paragraph (e);

(ii) in paragraph (f), by striking "Release" and inserting "release";

(iii) in paragraph (g), by striking "Obtain" and inserting "obtain";

(iv) in paragraph (h), by striking "Not" and inserting "not";

(v) in paragraph (i)—

(I) by striking "Consent" and inserting "consent"; and

(II) by redesignating subparagraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(vi) in paragraph (d), by redesignating subparagraphs (1) and (2) as subparagraphs (A) and (B), respectively; and

(vii) by redesignating paragraphs (a) through (j) as paragraphs (1) through (10), respectively; and

(B) by redesignating the first and second undesignated subsections as subsections (a) and (b), respectively.

(2) CONFORMING AMENDMENTS.—Section 357(b) of such Act (7 U.S.C. 2005(b)) is amended by striking "331(d)" each place such term appears and inserting "331(b)(4)".

(e) AMENDMENTS TO SECTION 333.—Section 333 of such Act (7 U.S.C. 1983), as amended by section 1810 of this Act, is amended—

(1) in paragraph (a), by redesignating subparagraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(2) in paragraph (b)—

(A) in subparagraph (1), by redesignating clauses (A), (B), and (C) as clauses (1), (2), and (3), respectively; and

(B) by redesignating subparagraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(3) in paragraphs (c) and (e), by striking "of this title" each place such term appears"; and

(4) by redesignating paragraphs (a), (b), (c), (d), and (e) as paragraphs (1), (2), (3), (4), and (5), respectively.

(f) SECTION 333A(c) AMENDMENT.—Section 333A(c) of such Act (7 U.S.C. 1983a(c)) is amended by striking "In" and inserting "If".

(g) SECTION 335(c)(2)(D) AMENDMENT.—Section 335(c)(2)(D) Of such Act (7 U.S.C. 1985(c)(2)(D)) is amended by striking "caused" and inserting "cause".

(h) SECTION 343(a) AMENDMENTS.—Section 343(a) of such Act (7 U.S.C. 1991(a)) is amended—

(1) in paragraph (1), by striking "and";

(2) in paragraph (3), by striking "and" the third place such term appears; and

(3) in paragraph (5), by striking "contract of insurance" and inserting "'contract of insurance'".

(i) SECTION 346(b) AMENDMENTS.—Section 346(b) of such Act (7 U.S.C. 1994(b)) is amended—

(1) in paragraph (1)(B), by striking "subparagraph (C)" and inserting "paragraph (3)";

(2) in paragraph (1)(C), by striking "subparagraph (A)" and inserting "paragraph (1)";

(3) by redesignating paragraphs (1) (A), (B), (C), (D)(i), and (E) as paragraphs (1), (2), (3), (4), and (5), respectively;

(4) in paragraph (2) (as so redesignated by paragraph (3) of this subsection), by redesignating clauses (i), (ii), and (iii) as subparagraphs (A), (B), and (C), respectively;

(5) in each of the subparagraphs redesignated as such by paragraph (4) of this subsection, by redesignating subclauses (I) and (II) as clauses (i) and (ii), respectively; and

(6) in paragraph (5) (as so redesignated by paragraph (3) of this subsection), by redesignating clauses (i), (ii), and (iii) as subparagraphs (A), (B), and (C), respectively.

(j) SECTION 349(a) AMENDMENT.—Section 349(a) of such Act (7 U.S.C. 1997(a)) is amended by redesignating paragraph (5) as paragraph (4).

SEC. 2389. GRANTS FOR FINANCIALLY STRESSED FARMERS, DISLOCATED FARMERS, AND RURAL FAMILIES.

(a) EXTENSION OF GRANT PROGRAM.—Section 502(f)(2) of the Rural Development Act of 1972 (7 U.S.C. 2662(f)(2)) is amended—

(1) by striking "1990" and inserting "1995"; and

(2) by inserting after "under paragraph (1)" the following: "to eligible applicants in any State applying for such grants".

(b) CHANGES TO GRANT PROGRAM.—Section 502(f)(1) of such Act (7 U.S.C. 2662(f)(1)) is amended—

(1) in subparagraph (A), by striking "special grants" and all that follows through "counseling" and inserting the following: "competitive grants for programs that meet the criteria specified in subparagraph (B) to develop counseling, retraining, and educational";

(2) by redesignating subparagraphs (C) and (D) as subparagraphs (E) and (F), respectively;

(3) in subparagraph (B)—

(A) by striking "(B) Services to be provided", the matter preceding the clauses, and clause (i); and

(B) by redesignating clauses (ii) through (viii) as clauses (i) through (vii) of subparagraph (D);

(4) by inserting after subparagraph (A) the following new subparagraphs:

"(B) GRANT CRITERIA.—In order to be eligible to receive a grant under this subsection, an applicant must provide suitable assurances that—

"(i) not less than one-half of the grant funds to the applicant will be used for clinical outreach counseling and crisis management assistance, as required by subparagraph (C);

"(ii) a significant number of farms within the State have a ratio of debts to assets of 40 percent or more, the State's rural economy has been facing adverse economic conditions for a period of years, or such other conditions exist, as determined by the Secretary, such that the assistance provided under this subsection is necessary or appropriate;

"(iii) the planning and implementation of the provision of services under this subsection will be coordinated with the appropriate State agency for mental health, department of health, office of rural health, and any other State agency or department responsible for assisting persons in rural areas of the State; and

"(iv) the planning and implementation of the provision of services under this subsection will be coordinated with the appropriate local governments and other public and private nonprofit agencies and organiza-

tions located in rural areas and involved in addressing problems related to the mental health of rural residents.

"(C) COUNSELING AND OUTREACH REQUIRED.—Not less than 50 percent of the grant funds to a State under this subsection shall be used to provide clinical outreach counseling and crisis management assistance.

"(D) OTHER SERVICES TO BE PROVIDED.—In addition to the counseling and outreach services required under subparagraph (C), the following services may also be provided through programs funded under this section:";

(5) by adding at the end of subparagraph (D) (as added by paragraph (4) of this subsection) the following new clause:

"(viii) Assistance for local officials and groups in developing income and employment alternatives."; and

(6) in subparagraph (F) (as so redesignated by paragraph (2) of this subsection)—

(A) by striking "is encouraged to work with" and inserting "shall work with the appropriate State office of rural health, State department or agency of mental health, and other";

(B) by striking "a comprehensive plan" and inserting "an annual comprehensive plan";

(C) by striking "special"; and

(D) by adding at the end the following: "For recipients in a State to be eligible for a grant under this subsection in any fiscal year, the Cooperative Extension Service within the State must develop and sign a Memorandum of Agreement with the appropriate State department or agency of mental health and other State agencies as may be appropriate to carry out the comprehensive plan. Such agreement and plan must emphasize the development and delivery of counseling and outreach programs as provided under subparagraph (B).".

(c) CONFORMING AMENDMENTS.—

(1) Such section is further amended by striking "(f) Special" and inserting "(f) Competitive".

(2) Section 503(c) of such Act (7 U.S.C. 2663(c)) is amended—

(A) by inserting "ADDITIONAL DISTRIBUTIONS.—(1)" after "(c)";

(B) by striking "and section 502(f)" each place such term appears; and

(C) by adding at the end the following new paragraph:

"(2) The Secretary shall distribute the amounts appropriated to carry out section 502(f) to colleges and universities in accordance with the requirements of such subsection.".

(d) EFFECT OF AMENDMENTS ON CURRENT GRANT RECIPIENTS.—The eight States receiving grants under section 502(f) of the Rural Development Act of 1972 (7 U.S.C. 2662(f)) during fiscal year 1990 shall continue to be eligible to receive grants (in an amount not to exceed the amount received during that fiscal year) under that section notwithstanding that such grants be awarded competitively, so long as such States comply with the requirement under subparagraph (C) that not less than one-half of such grant amount shall be

used for clinical outreach counseling and crisis management assistance.

SEC. 2390. RURAL HEALTH AND SAFETY EDUCATION.

(a) SHORT TITLE.—This section may be cited as the "Rural Health and Safety Education Act of 1990".

(b) RURAL HEALTH AND SAFETY EDUCATION PROGRAMS.—

(1) IN GENERAL.—Section 502 of the Rural Development Act of 1972 (7 U.S.C. 2661) is amended by adding after the subsection added by section 2346 of this Act the following new subsection:

"(h) RURAL HEALTH AND SAFETY EDUCATION PROGRAMS.—

"(1) PROGRAMS AUTHORIZED.—

"(A) INDIVIDUAL AND FAMILY HEALTH EDUCATION.—The Secretary may make grants for the establishment of individual and family health education programs that shall provide individuals and families with—

"(i) information concerning the value of good health;

"(ii) information to increase the individual or families motivation to take more responsibility for their own health;

"(iii) access to health promotion activities; and

"(iv) training for volunteers and health services providers concerning health promotion and health care services, in cooperation with the Department of Health and Human Services.

"(B) FARM SAFETY EDUCATION.—The Secretary may make grants for the establishment of farm safety education programs that shall provide information and training to farm workers, timber harvesters, and farm families concerning safety in the work place, including information and training concerning—

"(i) the reduction of occupational injury and death rates;

"(ii) the reduction and prevention of exposure to farm chemicals;

"(iii) the reduction of agricultural respiratory diseases and dermititis;

"(iv) the reduction and prevention of noise induced hearing loss;

"(v) the occupational rehabilitation of farmers and timber harvesters with physical disabilities; and

"(vi) farm accident rescue procedures.

"(2) COORDINATION OF PROGRAMS.—Educational programs conducted with grants awarded under this subsection shall be coordinated with the State offices of rural health and other appropriate programs of the Department of Health and Human Services.

"(3) DISSEMINATION OF INFORMATION.—Educational programs conducted with grants awarded under this subsection shall provide leadership within the State for the dissemination of appropriate rural health and safety information resources possessed by the Rural Information Center established at the National Agricultural Library.

"(4) PROCEDURES AND LIMITATIONS.—The Secretary shall establish policies, procedures and limitations that shall apply to States that desire to receive a grant under this subsection. In States with land-grant colleges and universities that are eligible to receive funds under the Act of July 2, 1862 (7 U.S.C. 301 et seq.), and the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee University, and universities which receive Rural Health Research Center grants, such eligible institutions shall mutually determine the type of rural health and safety education program needed in the State within which such institutions reside.

"(5) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—For grants under this subsection, there are authorized to be appropriated $5,000,000 for fiscal year 1991, $10,000,000 for fiscal year 1992, $15,000,000 for fiscal year 1993, and $20,000,000 for fiscal year 1994 and each subsequent fiscal year. Amounts appropriated under this subsection shall remain available until expended.".

(2) TECHNICAL AMENDMENT.—Section 503(c) of such Act (7 U.S.C. 2663(c)) is amended by striking "and section 502(f)" and inserting "section 502(f), and section 502(h)".

SEC. 2391. RURAL HEALTH INFRASTRUCTURE IMPROVEMENT.

(a) GRANT FOR DEMONSTRATION PROJECT.—The Secretary of Agriculture shall award a grant for the establishment of a project to demonstrate a model approach to improving rural health infrastructure. The project established with such grant shall—

(1) carry out systematic, community-based rural health needs assessments;

(2) identify and coordinate available health services resources;

(3) improve community infrastructure through health education and information and leadership development and training; and

(4) develop community generated health improvement strategies.

(b) PROJECT IMPLEMENTATION.—The project established under subsection (a) shall be implemented through the cooperation of—

(1) an academic medical center with accredited health professions schools, including schools of medicine, dentistry, public health, nursing, and allied health;

(2) the Cooperative Extension System of a land-grant university; and

(3) county-based citizens' organizations concerned with rural health services.

(c) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—To carry out subsection (a), there are authorized to be appropriated such sums as may be necessary in each fiscal year. Amounts appropriated under this subsection shall remain available until expended.

SEC. 2392. CENSUS OF AGRICULTURE.

The Secretary of Commerce shall include questions relating to agricultural accidents and farm safety in the 1992 Census of Agriculture.

SEC. 2393. LIMITATION ON CONDITIONS FOR WATER AND SEWER GRANTS AND LOANS.

Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) is amended by adding after the paragraph added by section 2329 of this Act the following new paragraph:

"(21) In making or insuring loans or making grants under this subsection, the Secretary may not condition approval of such loans or grants upon any requirement, condition or certification other than those specified under this Act.".

SEC. 2394. ENCOURAGEMENT OF PRIVATE CONTRACTING.

(a) In General.—For the purpose of promoting local job creation and private sector investment in rural communities, the Secretary of Agriculture is encouraged, where appropriate and feasible, to use private enterprise concerns located in rural areas, rather than government employees or government enterprises, to provide commercial activities or products to carry out the purposes of this title.

(b) Plan Required.—The Secretary shall develop and implement a plan that will result in increasing the use of contracts awarded to private firms by the Department of Agriculture, and maximizing the use of grant, loan, or other financial assistance made for the purpose of rural development to provide the goods and services purchased to carry out the purposes of this title.

SEC. 2395. PRESERVATION OF ELIGIBILITY.

Notwithstanding any other provision of law, this title shall not be construed to adversely affect the eligibility, as it existed on the date of enactment of this Act, of cooperatives and other entities for any other credit assistance under Federal law.

SEC. 2396. REGULATIONS.

Except as otherwise provided in this title, no later than 180 days after the date of the enactment of this Act, the Secretary shall promulgate such regulations as may be necessary to carry out this title and the amendments made by this title.

TITLE XXIV—GLOBAL CLIMATE CHANGE

SEC. 2401. SHORT TITLE.

This title may be cited as the "Global Climate Change Prevention Act of 1990".

SEC. 2402. GLOBAL CLIMATE CHANGE PROGRAM.

(a) Establishment.—For the purpose of having within the Department of Agriculture a focal point for coordinating all issues of climate change, the Secretary of Agriculture (hereafter in this title referred to as the "Secretary") shall establish a Global Climate Change Program (hereafter in this section referred to as the "Program"). The Secretary shall designate a director of the Program who shall be responsible to the Secretary for carrying out the duties specified in subsections (b) and (c).

(b) General Duties.—The Director shall—

(1) coordinate policy analysis, long range planning, research, and response strategies relating to climate change issues;

(2) provide liaison with other Federal agencies, through the Office of Science and Technology Policy, regarding issues of climate change;

(3) inform the Department of scientific developments and policy issues relating to the effects of climate change on agriculture and forestry, including broader issues that affect the impact of climate change on the farms and forests of the United States;

(4) recommend to the Secretary alternative courses of action with which to respond to such scientific developments and policy issues; and

(5) ensure that recognition of the potential for climate change is fully integrated into the research, planning, and decisionmaking processes of the Department.

(c) SPECIFIC RESPONSIBILITIES.—The Director shall—

(1) coordinate the global climate change studies required by section 2403;

(2) provide, through such other agencies as the Secretary determines appropriate, competitive grants for research in climatology relating to the potential impact of climate change on agriculture;

(3) coordinate the participation of the Department in interagency climate-related activities;

(4) consult with the National Academy of Sciences and private, academic, State, and local groups with respect to climate research and related activities;

(5) represent the Department to the Office of Science and Technology Policy and coordinate the activities of the Department in response to requirements of this title;

(6) represent the Department on the Intergovernmental Panel on Climate Change; and

(7) review all Department budget items relating to climate change issues, including specifically the research budget to be submitted by the Secretary to the Office of Science and Technology Policy and the Office of Management and Budget.

SEC. 2403. STUDY OF GLOBAL CLIMATE CHANGE, AGRICULTURE, AND FORESTRY.

(a) CROPS.—

(1) IN GENERAL.—The Secretary shall study the effects of global climate change on agriculture and forestry. The study shall, at a minimum address—

(A) the effects of simultaneous increases in temperature and carbon dioxide on crops of economic significance;

(B) the effects of more frequent or more severe weather events on such crops;

(C) the effects of potential changes in hydrologic regimes on current crop yields;

(D) the economic effects of widespread and increased drought frequency in the south, midwest, and plains States; and

(E) changes in pest problems due to higher temperatures.

(2) FURTHER STUDIES.—If the results of the study conducted under paragraph (1) warrant, the Secretary shall conduct fur-

ther studies that address the means of mitigating the effects of global climate change on crops of economic significance that shall, at a minimum—

(A) identify whether climate change tolerance can be bred into these crops, the amount of time necessary for any such breeding, and the effects on the income of farmers;

(B) evaluate existing genetic resource and breeding programs for crops for their ability to develop new varieties that can tolerate potential climate changes; and

(C) assess the potential for the development of crop varieties that are tolerant to climate changes and other environmental stresses, such as drought, pests, and salinity.

(b) FORESTS.—The Secretary shall conduct a study on the emissions of methane, nitrous oxide, and hydrocarbons from tropical and temperate forests, the manner in which such emissions may affect global climate change; the manner in which global climate change may affect such emissions; and the manner in which such emissions may be reduced through management practices. The study shall, at a minimum—

(1) obtain measurements of nitrous oxide, methane, and nonmethane hydrocarbons from tropical and temperate forests;

(2) determine the manner in which the nitrous oxide, methane, and nonmethane hydrocarbon emissions from temperate and tropical forest systems will respond due to climate change; and

(3) identify and address alternative management strategies for temperate and tropical forests that may mitigate any negative effects of global climate change.

(c) REPORTS.—The Secretary shall submit reports of the studies conducted under subsections (a) and (b) within 3 and 6 years, respectively, after the date of enactment of this Act to the Committee on Agriculture and the Committee on Science, Space, and Technology of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate. In addition, interim reports regarding such studies shall be provided by the Secretary to such Committees annually, with recommendations for actions which may be taken to mitigate the negative effects of global climate change and to adapt to global climate changes and related phenomena.

SEC. 2404. TECHNICAL ADVISORY COMMITTEE.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish a technical advisory committee to provide advice to the Secretary concerning the major study areas required under this title.

(b) MEMBERS.—The committee established under subsection (a) shall be composed of such representatives of universities, professional societies, government laboratories, and agricultural, environmental and other organizations as the Secretary of Agriculture, in consultation with the Office of Science and Technology Policy and the Administrator of the Environmental Protection Agency, determines appropriate based on an assessment by the Secretary of qualifications required for service on such committee. Appointments to such committee shall be made not later than 90 days after the date of the enactment of this Act. Such committee shall have a chairperson

who shall be elected by the members of the committee from among such members.

SEC. 2405. OFFICE OF INTERNATIONAL FORESTRY.

(a) ESTABLISHMENT.—The Secretary, acting through the Chief of the Forest Service, shall establish an Office of International Forestry within the Forest Service within six months after the date of enactment of this Act.

(b) DEPUTY CHIEF DESIGNATION.—The Chief shall appoint a Deputy Chief for International Forestry.

(c) DUTIES.—The Deputy Chief shall—

(1) be responsible for the international forestry activities of the Forest Service;

(2) coordinate the activities of the Forest Service in implementing the provisions of this title; and

(3) serve as Forest Service liaison to the director for the program established pursuant to section 2402.

SEC. 2406. LINE ITEM.

The President's proposed budget to Congress for the first fiscal year beginning after the date of enactment of this Act and for each subsequent fiscal year shall specifically identify funds to be spent on Forest Service international cooperation and assistance.

SEC. 2407. INSTITUTES OF TROPICAL FORESTRY.

The Secretary is authorized and directed to establish an Institute of Tropical Forestry in Puerto Rico and an Institute of Pacific Islands Forestry (hereafter in this section referred to as the "Institutes"). The Institutes shall conduct research on forest management and natural resources that shall include—

(1) management and development of tropical forests;

(2) the relationship between climate change and tropical forests;

(3) threatened and endangered species;

(4) recreation and tourism;

(5) development of tropical forest resources on a sustained yield basis;

(6) techniques to monitor the health and productivity of tropical forests;

(7) tropical forest regeneration and restoration; and

(8) the effects of tropical deforestation on biodiversity, global climate, wildlife, soils, and water.

SEC. 2408. THE FOREST AND RANGELAND RENEWABLE RESOURCES PLANNING ACT OF 1974.

(a) RENEWABLE RESOURCE ASSESSMENT.—Section 3(a) of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1601(a)) is amended—

(1) in paragraph (3), by striking "and" at the end thereof;

(2) in paragraph (4), by striking the period and inserting "; and"; and

(3) by adding at the end thereof the following new paragraphs:

"(5) an analysis of the potential effects of global climate change on the condition of renewable resources on the forests and rangelands of the United States; and

"(6) an analysis of the rural and urban forestry opportunities to mitigate the buildup of atmospheric carbon dioxide and reduce the risk of global climate change,".

(b) RENEWABLE RESOURCE PROGRAM.—Section 4 of such Act (16 U.S.C. 1602) is amended in paragraph (5)—

(1) by striking "and" at the end of subparagraph (D);

(2) by striking the period at the end of subparagraph (E) and inserting "; and"; and

(3) by adding at the end thereof the following new subparagraph:

"(F) account for the effects of global climate change on forest and rangeland conditions, including potential effects on the geographic ranges of species, and on forest and rangeland products.".

SEC. 2409. URBAN FORESTRY DEMONSTRATION PROJECTS.

The Secretary is authorized to undertake, through the Forest Service's Northeastern Area State and Private Forestry program, a study and pilot implementation project to demonstrate the benefits of retaining and integrating forests in urban development. The focus of such a study and implementation project should be to protect the environment and associated natural resource values, for current and future generations.

SEC. 2410. BIOMASS ENERGY DEMONSTRATION PROJECTS.

The Secretary, in consultation with the Secretary of Energy, may carry out projects that demonstrate the potential of short-rotation silvicultural methods to produce wood for electricity production and industrial energy needs. In carrying out such projects, the Secretary shall cooperate with private industries, Federal and State agencies, and other organizations.

SEC. 2411. INTERAGENCY COOPERATION TO MAXIMIZE BIOMASS GROWTH.

The Secretary may enter into an agreement with the Secretary of Defense to—

(1) conduct a study of reforestation and improved management of Department of Defense military installations and lands; and

(2) develop a program to manage such forests and lands so as to maximize their potential for biomass growth and sequestering carbon dioxide.

SEC. 2412. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1991 through 1996, to carry out this title.

TITLE XXV—OTHER RELATED PROVISIONS

SEC. 2501. OUTREACH AND ASSISTANCE FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS.

(a) OUTREACH AND ASSISTANCE.—

(1) IN GENERAL.—The Secretary of Agriculture (hereafter referred to in this section as the "Secretary") shall provide outreach and technical assistance to encourage and assist socially

disadvantaged farmers and ranchers to own and operate farms and ranches and to participate in agricultural programs. This assistance should include information on application and bidding procedures, farm management, and other essential information to participate in agricultural programs.

(2) GRANTS AND CONTRACTS.—The Secretary may make grants and enter into contracts and other agreements in the furtherance of this section with the following entities—

(A) any community based organization that—

(i) has demonstrated experience in providing agricultural education or other agriculturally related services to socially disadvantaged farmers and ranchers;

(ii) provides documentary evidence of its past experience of working with socially disadvantaged farmers and ranchers during the two years preceding its application for assistance under this section; and

(iii) does not engage in activities prohibited under section 501(c)(3) of the Internal Revenue Code of 1986; and

(B) 1890 Land-Grant Colleges including Tuskegee Institute, Indian tribal community colleges and Alaska native cooperative colleges, Hispanic serving post-secondary educational institutions, and other post-secondary educational institutions with demonstrated experience in providing agriculture education or other agriculturally related services to socially disadvantaged family farmers and ranchers in their region.

(3) FUNDING.—There are authorized to be appropriated $10,000,000 for each fiscal year to carry out this section.

(b) DESIGNATION OF FEDERAL PERSONNEL.—

(1) IN GENERAL.—The Secretary shall designate from existing Federal personnel resources in the county or region a qualified person who shall, in cooperation with the State cooperative extension services, implement the policies and programs established or modified in accordance with this section.

(2) ADDITIONAL PERSONNEL.—In counties or regions in which the number of socially disadvantaged farmers and ranchers exceeds 25 percent of the total number of farmers and ranchers in the county or region, the Secretary shall designate additional personnel to implement the policies and programs established or modified in accordance with this section.

(c) REPORT TO CONGRESS.—

(1) IN GENERAL.—Not later than September 30, 1992, and every two years thereafter, the Secretary shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, regarding—

(A) the efforts of the Secretary to enhance participation by members of socially disadvantaged groups in agricultural programs;

(B) the specific participation goals established for each agricultural program;

(C) the results achieved for each agricultural; and

(D) the progress of the Department towards meeting each of the purposes described in paragraph (2)(C).

(2) CONTENTS.—In addition to the information specified in paragraph (1), the report required by paragraph (1) shall include—

(A) a comparison of the participation goals and the actual participation rates of members of socially disadvantaged groups in each agricultural program;

(B) an analysis and explanation of the reasons for the success or failure of the Secretary to achieve the goals, and the overall purposes of this section;

(C) a listing, on a State-by-State and county-by-county basis, of—

(i) the amount of funds loaned to members of socially disadvantaged groups; and

(ii) the amount of funds used to guarantee loans to members of socially disadvantaged groups compared to the total amount of such guarantees;

(D) a breakdown in allocation of crop base in each program crop compared to the target participation rates established pursuant to sections 355(a)(1) and 355(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(a)(1)), on a State-by-State and county-by-county basis; and

(E) a review and analysis of participation by members of socially disadvantaged groups, compared to participation by all others, in agricultural programs, on a State-by-State and county-by-county basis, including a survey representative of all farmers and ranchers, including socially disadvantaged farmers and ranchers, to identify reasons for participation and nonparticipation in agricultural programs.

(d) AFFIRMATIVE ACTION, APPEALS, AND CONTRACTING REVIEW.—

(1) PURPOSE.—It is the purpose of this subsection to direct the Secretary to analyze within the Department of Agriculture the design and implemeniation of affirmative action programs and policies, the appeals process for complaints of discrimination, and contracting and purchasing practices employed by the Department.

(2) SCOPE.—The study shall include—

(A) an assessment of the successes and failures of these affirmative action programs and policies;

(B) a review of the reasons for the successes and failures described in subparagraph (A);

(C) a review of procurement, contracting, and purchasing policies of the Department, the level of participation of socially disadvantaged businesses in such activities, and the impact of those policies on the participation of members of socially disadvantaged groups in such contracting with the Department;

(D) a review of the reasons for participation or lack of participation of businesses owned by members of socially disadvantaged groups in the activities described in subparagraph (C); and

(E) a review of the appeals process for all complaints or allegations regarding acts, practices, or patterns of discrimination filed with the Department by individuals or any other entities that shall include—

(i) the number of complaints or allegations regarding acts, practices, or patterns of discrimination;

(ii) the manner in which the complaints were investigated and resolved by the Department; and

(iii) the longest, shortest, and average periods of time taken to investigate and resolve the complaints or allegations regarding acts, practices, or patterns of discrimination.

(3) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary shall prepare and submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report containing the information described in paragraph (2).

(e) DEFINITIONS.—

(1) SOCIALLY DISADVANTAGED GROUP.—As used in this section, the term "socially disadvantaged group" means a group whose members have been subjected to racial or ethnic prejudice because of their identity as members of a group without regard to their individual qualities.

(2) SOCIALLY DISADVANTAGED FARMER OR RANCHER.—As used in this section, the term "socially disadvantaged farmer or rancher" means a farmer or rancher who is a member of a socially disadvantaged group.

(3) AGRICULTURE PROGRAMS.—As used in this section, the term "agriculture programs" are those established or authorized by—

(A) the Agricultural Act of 1949;

(B) the Consolidated Farm and Rural Development Act;

(C) the Agricultural Adjustment Act of 1938;

(D) the Soil Conservation Act;

(E) the Domestic Allotment Assistance Act;

(F) the Food Security Act of 1985; and

(G) other such Acts as the Secretary deems appropriate.

(f) AMENDMENT TO CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT.—Section 355 of the Consolidated Farm and Rural Development Act is amended—

(1) by striking out subsection (d);

(2) by redesignating subsection (c) as subsection (d);

(3) by inserting after subsection (b) the following new subsection:

"(c) OPERATING LOANS.—

"(1) ESTABLISHMENT.—The Secretary shall establish annual target participation rates, that shall ensure that socially disadvantaged farmers or ranchers will receive loans made or insured under subtitle B. In establishing such target rates, the Secretary shall consider the number of socially disadvantaged farmers and ranchers in a State in proportion to the total number of farmers and ranchers in that State.

"(2) Reservation and allocation.—The Secretary shall, to the greatest extent practicable, reserve and allocate the proportion of each State's loan funds made available under subtitle B that is equal to that State's target participation rate for use by the socially disadvantaged farmers or ranchers in that State. The Secretary shall, to the extent practicable, distribute the total so derived on a county by county basis according to the number of socially disadvantaged farmers or ranchers in the county. Any funds reserved and allocated for purposes of this paragraph, but not used shall be reallocated within such State."; and

(4) by inserting after subsection (d) (as so redesignated) the following new subsection:

"(e) Definitions.—

"(1) Socially disadvantaged group.—As used in this section, the term 'socially disadvantaged group' means a group whose members have been subjected to racial or ethnic prejudice because of their identity as members of a group without regard to their individual qualities.

"(2) Socially disadvantaged farmer or rancher.—As used in this section, the term 'socially disadvantaged farmer or rancher" means a farmer or rancher who is a member of a socially disadvantaged group.";

(g) Reservations.—

(1) Consolidated suboffice.—The Secretary shall require the Agricultural Stabilization and Conservation Service, Soil Conservation Service, and Farmers Home Administration offices, and such other offices and functions the Secretary may choose to include, in each county that has a reservation within its borders, to establish a consolidated suboffice at the tribal headquarters of said reservation and to staff said suboffice as needed, using existing staff, but no less than one day a week or under such other arrangement agreed to by the tribe and the Department of Agriculture offices. The tribe shall be required to provide the necessary office space if it wishes to participate in this program.

(2) Cooperative agreements.—For those reservations that are located in more than one county, the Secretary, the relevant county offices and the tribe shall enter into a cooperative agreement to provide the services required by paragraph (1) that avoids duplication of effort.

SEC. 2502. NARROWING THE DEFENSE EXCEPTION TO THE FARMLAND PROTECTION POLICY ACT.

Section 1547(b) of the Farmland Protection Policy Act (7 U.S.C. 4208) is amended by inserting "during a national emergency" after "purposes".

SEC. 2503. PROTECTION OF PETS.

The Animal Welfare Act (7 U.S.C. 2131 et seq.) is amended—

(1) in section 16(c), (7 U.S.C. 2146) by inserting after "Act" the first place it appears the following: "and the regulations and standards promulgated under this Act"; and

(2) by adding at the end the following new sections:

"SEC. 28. PROTECTION OF PETS.

"(a) HOLDING PERIOD.—

"(1) REQUIREMENT.—In the case of each dog or cat acquired by an entity described in paragraph (2), such entity shall hold and care for such dog or cat for a period of not less than five days to enable such dog or cat to be recovered by its original owner or adopted by other individuals before such entity sells such dog or cat to a dealer.

"(2) ENTITIES DESCRIBED.—An entity subject to paragraph (1) is—

"(A) each State, county, or city owned and operated pound or shelter;

"(B) each private entity established for the purpose of caring for animals, such as a humane society, or other organization that is under contract with a State, county, or city that operates as a pound or shelter and that releases animals on a voluntary basis; and

"(C) each research facility licensed by the Department of Agriculture.

"(b) CERTIFICATION.—

"(1) IN GENERAL.—A dealer may not sell, provide, or make available to any individual or entity a random source dog or cat unless such dealer provides the recipient with a valid certification that meets the requirements of paragraph (2) and indicates compliance with subsection (a).

"(2) REQUIREMENTS.—A valid certification shall contain—

"(A) the name, address, and Department of Agriculture license or registration number (if such number exists) of the dealer;

"(B) the name, address, Department of Agriculture license or registration number (if such number exists), and the signature of the recipient of the dog or cat;

"(C) a description of the dog or cat being provided that shall include—

"(i) the species and breed or type of such;

"(ii) the sex of such;

"(iii) the date of birth (if known) of such;

"(iv) the color and any distinctive marking of such; and

"(v) any other information that the Secretary by regulation shall determine to be appropriate;

"(D) the name and address of the person, pound, or shelter from which the dog or cat was purchased or otherwise acquired by the dealer, and an assurance that such person, pound, or shelter was notified that such dog or cat may be used for research or educational purposes;

"(E) the date of the purchase or acquisition referred to in subparagraph (D);

"(F) a statement by the pound or shelter (if the dealer acquired the dog or cat from such) that it satisfied the requirements of subsection (b); and

"(G) any other information that the Secretary of Agriculture by regulation shall determine appropriate.

"(3) Records.—The original certification required under paragraph (1) shall accompany the shipment of a dog or cat to be sold, provided, or otherwise made available by the dealer, and shall be kept and maintained by the research facility for a period of at least one year for enforcement purposes. The dealer shall retain one copy of the certification provided under this paragraph for a period of at least one year for enforcement purposes.

"(4) Transfers.—In instances where one research facility transfers animals to another research facility a copy of the certificate must accompany such transfer.

"(5) Modification.—Certification requirements may be modified to reflect technological advances in identification techniques, such as microchip technology, if the Secretary determines that adequate information such as described in this section, will be collected, transferred, and maintained through such technology.

"(c) Enforcement.—

"(1) In general.—Dealers who fail to act according to the requirements of this section or who include false information in the certification required under subsection (b), shall be subject to the penalties provided for under section 19.

"(2) Subsequent violations.—Any dealer who violates this section more than one time shall be subject to a fine of $5,000 per dog or cat acquired or sold in violation of this section.

"(3) Permanent revocations.—Any dealer who violates this section three or more times shall have such dealers license permanently revoked.

"(d) Regulation.—Not later than 180 days after the date of enactment of this section, the Secretary shall promulgate regulations to carry out this section.

"SEC. 29. AUTHORITY TO APPLY FOR INJUNCTIONS.

"(a) Request.—Whenever the Secretary has reason to believe that any dealer, carrier, exhibitor, or intermediate handler is dealing in stolen animals, or is placing the health of any animal in serious danger in violation of this Act or the regulations or standards promulgated thereunder, the Secretary shall notify the Attorney General, who may apply to the United States district court in which such dealer, carrier, exhibitor, or intermediate handler resides or conducts business for a temporary restraining order or injunction to prevent any such person from operating in violation of this Act or the regulations and standards prescribed under this Act.

"(b) Issuance.—The court shall, upon a proper showing, issue a temporary restraining order or injunction under subsection (a) without bond. Such injunction or order shall remain in effect until a complaint pursuant to section 19 is issued and dismissed by the Secretary or until an order to cease and desist made thereon by the Secretary has become final and effective or is set aside on appellate review. Attorneys of the Department of Agriculture may, with the approval of the Attorney General, appear in the United States district court representing the Secretary in any action brought under this section.".

SEC. 2504. CONTROL AND ERADICATION OF PLANT PESTS.

Section 102(b) of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 147a(b)) is amended—

(1) by striking "all countries of the Western Hemisphere" and inserting "foreign countries"; and

(2) by inserting "foreign or" before "international".

SEC. 2505. COOPERATION IN ANIMAL DISEASE CONTROL.

Section 1 of chapter 8, of the Act of February 28, 1947 (21 U.S.C. 114b) is amended—

(1) by striking "Mexico, Guatemala, El Salvador, Costa Rica, Honduras, Nicaragua, Belize, Panama, Colombia, and Canada, the Bahama Islands, the Greater Antilles, and the Lesser Antilles" and inserting "foreign countries"; and

(2) by inserting "foreign or" before "international".

SEC. 2506. PSEUDORABIES ERADICATION.

(a) FINDINGS.—Congress finds that efforts to eradicate pseudorabies in United States swine populations by the Department of Agriculture in cooperation with State agencies and the pork industry have a high priority and should be continued until pseudorabies is completely eradicated in the United States.

(b) ESTABLISHMENT OF PROGRAM.—The Secretary of Agriculture shall establish and carry out a program for the eradication of pseudorabies in United States swine populations.

(c) USE OF FUNDS FOR TESTING AND CONTROL OF PSEUDORABIES.—The Secretary shall ensure that not less than 65 percent of the funds appropriated for the program established under subsection (b) shall be used for testing and screening of animals and for other purposes directly related to the eradication or control of pseudorabies. This requirement on the use of appropriated funds for this program shall not be implemented in a manner that would adversely affect any other animal or plant disease or pest eradication or control program.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for each of the fiscal years 1991 through 1995 such sums as may be necessary for the purpose of carrying out the program established under subsection (b).

SEC. 2507. REGULATION GOVERNING INSPECTION OF IMPORTED POULTRY.

(a) FINDINGS.—Congress finds that—

(1) in 1985 the Poultry Products Inspection Act, an Act to maintain the integrity and wholesomeness of this Nation's food supply, was amended by the Food Security Act of 1985;

(2) the 1985 amendment provided that poultry products offered for importation into the United States shall be subject to the same inspection, sanitary, quality, species verification, and residue standards applied to products produced in the United States and that such products shall have been processed in facilities and under conditions that are the same as those under which similar products are processed in the United States; and

(3) on October 30, 1989, the Secretary of Agriculture, through the Food Safety and Inspection Service, the agency in the Department of Agriculture charged with the responsibility of administering the provisions of the Poultry Products Inspection

Act, promulgated a regulation implementing the 1985 amendment to that Act providing that a foreign inspection system seeking certification for export of poultry to the United States merely impose requirements at least equal to those applicable in the United States.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the regulation promulgated by the Secretary of Agriculture, through the Food Safety and Inspection Service, with respect to poultry products offered for importation into the United States does not reflect the intention of the Congress; and

(2) to urge the Secretary, through the Food Safety and Inspection Service of the Department of Agriculture, to repeal the October 30, 1989, regulation and promulgate a new regulation reflecting the intention of the Congress.

SEC. 2508. ADDITIONAL INSPECTION SERVICES.

The Secretary of Agriculture, in carrying out regulations prohibiting or restricting the entry of materials that may harbor pests, or diseases, is authorized to enter into agreements with operators or owners of vessels or aircraft for the purpose of providing inspection services at points of entry in the United States in addition to the regular or on-call basis currently available in connection with such vessels or aircraft. Any such agreement shall provide for the payment by the operator or owner of an amount determined by the Secretary to be necessary to defray the costs of providing additional service pursuant to such agreement.

SEC. 2509. COLLECTION OF FEES FOR INSPECTION SERVICES.

(a) QUARANTINE, INSPECTION AND TRANSPORTATION FEES.—

(1) QUARANTINE AND INSPECTION.—The Secretary of Agriculture (hereafter referred to in this section as the "Secretary") may prescribe and collect fees to cover the cost of providing agricultural quarantine and inspection services in connection with the arrival at a port in the customs territory of the United States, or the preclearance or preinspection at a site outside the customs territory of the United States, of a commercial vessel, commercial aircraft, commercial truck, or railroad car,

(2) TREASURY.—Any person who collects a fee under this subsection shall remit such fee to the Treasury of the United States prior to the date that is 31 days after the close of the calendar quarter in which such fee is collected.

(3) AGRICULTURAL QUARANTINE INSPECTION USER FEE ACCOUNT.—

(A) ESTABLISHMENT.—There is established in the Treasury of the United States a no-year fund, to be known as the "Agricultural Quarantine Inspection User Fee Account" (hereafter referred to in this section as the "Account"), for the use of the Secretary for quarantine or inspection services under this section.

(B) AMOUNTS IN ACCOUNT.—

(i) DEPOSITS.—All of the fees collected under this subsection shall be deposited in the Account.

(ii) REIMBURSEMENT.—The Secretary of Treasury shall use the Account to provide reimbursements to any

appropriations accounts that incur the costs associated with the services authorized in paragraph (1).

(iii) PROCEDURE.—The Secretary of the Treasury shall make reimbursement under clause (ii) on a quarterly basis. Amounts required to be reimbursed under clause (ii), shall be made on the basis of estimates made by the Secretary of the expenses described in clause (ii) that are incurred by the Secretary in the 3-month period immediately preceding such reimbursement.

(iv) ADJUSTMENTS.—Adjustments of reimbursements made under clause (ii) shall be made to the extent necessary to correct prior estimates that were in excess of, or less than, the amount required to be reimbursed under clause (iii).

(4) ADJUSTMENT IN FEE AMOUNTS.—The Secretary shall adjust the amount of the fees to be assessed under this subsection to reflect the cost to the Secretary in administering such subsection, in carrying out the activities at ports in customs territory of the United States and preclearance and preinspection sites outside the customs territory of the United States in connection with the provision of agricultural quarantine inspection services, and in maintaining a reasonable balance in the Account.

(b) PLANT INSPECTION.—Subsection (f) of section 102 of the Act of September 21, 1944 (7 U.S.C. 147a(f)), is amended to read as follows:

"(f)(1) Notwithstanding paragraph (2), there are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section. Unless otherwise specifically authorized or provided for in appropriations Acts, no part of such sums shall be used to pay the cost or value of property injured or destroyed.

"(2) The Secretary of Agriculture is authorized to prescribe and collect fees to recover the costs of providing for the inspection of plants and plant products offered for export or transiting the United States and certifying to shippers and interested parties as to the freedom of such plants and plant products from plant pests according to the phytosanitary requirements of the foreign countries to which such plants and plant products may be exported, or to the freedom from exposure to plant pests while in transit through the United States. Any person for whom such an activity is performed shall be liable for payment of fees assessed. Upon failure to pay such fees when due, the Secretary of Agriculture shall assess a late payment penalty, and such overdue fees shall accrue interest, as required by section 3717 of title 31, United States Code. All fees, late payment penalties, and accrued interest collected shall be credited to such accounts that incur the costs and shall remain available until expended without fiscal year limitation. The Secretary of Agriculture shall have a lien for the fees, any late payment penalty, and any accrued interest assessed against the plant or plant product for which services have been provided. In the case of any person who fails to make payment when due, the Secretary of Agriculture shall also have a lien against any plant or plant product thereafter attempted to be exported by such person. The Secretary of Agriculture may, in case of nonpayment of the fees, late payment penalty, or accrued interest, after giving reasonable notice of default to the person

liable for payment of such assessments, sell at public sale after reasonable public notice, or otherwise dispose of, any such plant or plant product upon which the Secretary of Agriculture has a lien pursuant to this section. If the sale proceeds exceed the fees due, any late payment penalty assessed, any accrued interest and the expenses of the sale, the excess shall be paid, in accordance with regulations of the Secretary of Agriculture, to the owner of the plant or plant product sold upon the owner making application therefore with proof of ownership, within six months after such sale, and otherwise the excess shall be credited to accounts that incur the costs and shall remain available until expended. The Secretary of Agriculture shall, pursuant to regulations as prescribed by the Secretary of Agriculture, suspend performance of services to persons who have failed to pay such fees, late payment penalty and accrued interest.".

(c) ANIMAL INSPECTION AND VETERINARY DIAGNOSTICS.—

(1) ANIMAL INSPECTION.—The Secretary may prescribe and collect fees to reimburse the Secretary for the cost of carrying out the provisions of the Federal Animal Quarantine Laws that relate to the importation, entry, and exportation of animals, articles, or means of conveyance.

(2) VETERINARY DIAGNOSTICS.—Section 11 of the Act of May 29, 1884 (58 Stat. 734, as amended, 21 U.S.C. 114a), is amended by inserting immediately following the first sentence: "The Secretary of Agriculture is authorized to prescribe and collect fees to recover the costs of carrying out the provisions of this section which relate to veterinary diagnostics.".

(3) FEES.—All fees collected pursuant to this subsection and any late payment penalties or accrued interest collected pursuant to this subsection shall be credited to the accounts that incur the cost and shall remain available until expended without fiscal year limitation.

(4) LIABILITY.—Any person for whom an activity related to the importation, entry, or exportation of an animal, article, or means of conveyance or relating to veterinary diagnostics, is performed pursuant to the section, shall be liable for payment of fees assessed. Upon failure to pay such fees when due, the Secretary shall assess a late payment penalty, and such overdue fees shall accrue interest, as required by section 3717 of title 31, United States Code. All fees, late payment penalties, and accrued interest collected shall be credited to such accounts that incur the costs and shall remain available until expended without fiscal year limitation.

(5) LEINS.—

(A) IN GENERAL.—The Secretary shall have a lien against the animal, article, means of conveyance, or facility for which services have been provided under this section for the fees, any late payment penalty, and any accrued interest assessed under this subsection.

(B) OTHER ANIMALS, ETC.—In the case of any person who fails to make payment when due under this subsection, the Secretary shall have a lien against any animal, article, or means of conveyance thereafter imported, moved in interstate commerce, or attempted to be exported by the person after the date of such failure until the date on which such

owner or operator make full payment to the Secretary under this subsection.

(C) SALES OF ANIMALS, ETC.—

(i) AUTHORITY.—The Secretary may, if a person does not pay fees, late payment penalties, or accrued interest on such, after providing reasonable notice of default to such person, sell at public sale after reasonable public notice, or otherwise dispose of, any such animal, article, means of conveyance or facility on which the Secretary has a lien under this paragraph.

(ii) EXCESS PROCEEDS.—If the sale proceeds under clause (i) exceed the fees due, any late payment penalty assessed, any accrued interest on such, and the expenses associated with the sale, such excess shall be paid to the owner of the animal, article, means of conveyance, or facility if such owner submits an application for such excess together with proof of ownership not later than 6 months after the date of such sale. If no such application is made, such excess shall be credited to accounts that incur the costs associated with the fees collected and shall remain available until expended, without fiscal year limitation. The Secretary shall suspend performance of services to persons who have failed to pay fees, late payment penalty, or accrued interest under this section.

(d) REGULATIONS.—The Secretary may prescribe such regulations as the Secretary determines necessary to carry out the provisions of this section.

(e) RECOVERY OF AMOUNTS OWED.—An action may be brought for the recovery of fees, late payment penalties, and accrued interest which have not been paid in accordance with this section against any person obligated for payment of such assessments under this section in any United States district court or other United States court for any territory or possession in any jurisdiction in which such person is found or resides or transacts business, and such court shall have jurisdiction to hear and decide such action.

(f) DEFINITIONS.—

(1) ANIMAL QUARANTINE LAWS.—For purposes of this section, the term "animal quarantine laws" means—

(A) section 306 of the Tariff Act of 1930 (19 U.S.C. 1306);

(B) sections 6 through 10 of the Act of August 30, 1890 (26 Stat. 416, chapter 839; 21 U.S.C. 101–105);

(C) section 2 of the Act of February 2, 1903 (32 Stat. 792, chapter 349; 21 U.S.C. 111);

(D) the Act of May 29, 1884 (23 Stat. 32, chapter 60; 21 U.S.C. 112 to 114a–1, 115, 117–119, and 130) (commonly known as the "Animal Industry Act");

(E) the Act of February 28, 1947 (61 Stat. 7, chapter 8; 21 U.S.C. 114b, 114c, and 114d–1);

(F) the Act of June 16, 1948 (62 Stat. 458, chapter 477; 21 U.S.C. 114e and 114f);

(G) Public Law 87–209 (21 U.S.C. 114g and 114h);

(H) the Act of May 31, 1920 (41 Stat. 699, chapter 217; 21 U.S.C. 116);

(I) the Act of February 2, 1903 (32 Stat. 791, chapter 349; 21 U.S.C. 112 and 120–122) (commonly known as the "Cattle Contagious Diseases Act of 1903");

(J) the Act of March 3, 1905 (33 Stat. 1264, chapter 1496; 21 U.S.C. 123–127) (commonly known as the "Cattle Contagious Diseases Act of 1905");

(K) the matter under the heading "Bureau of Animal Industry" of the Act of June 30, 1914 (38 Stat. 419, chapter 131; 21 U.S.C. 128);

(L) section 101 of Public Law 92–73 (21 U.S.C. 129);

(M) the matter under the heading "Miscellaneous" of the Act of May 26, 1910 (36 Stat. 440, chapter 256; 21 U.S.C. 131);

(N) sections 1 through 6 and 11 through 13 of Public Law 87–518 (21 U.S.C. 134–134h); or

(O) any other Act administered by the Secretary relating to plant or animal diseases or pests, other than the first section of Public Law 91–239 (21 U.S.C. 135).

(2) CUSTOMS TERRITORY.—For the purposes of subsection (a), the term "customs territory of the United States" means the 50 States, the District of Columbia, and Puerto Rico.

(3) PERSON.—For the purposes of this section, the term "person" means an individual, corporation, partnership, trust, association, or any other public or private entity, or any officer, employee, or agent thereof.

(4) UNITED STATES.—For the purposes of subsection (b), the term "United States" means the several States of the United States, the District of Columbia, Guam, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, and all other territories and possessions of the United States.

(5) VESSEL.—For the purposes of subsection (a), the term "vessel" does not include any ferry.

SEC. 2510. USER FEES FOR REPORTS, PUBLICATIONS, AND SOFTWARE.

Section 1121 of the Agriculture and Food Act of 1981 (7 U.S.C. 2242a) is amended by adding at the end the following new subsection:

"(d) INVESTMENT.—Any fees collected, late payment penalties, and interest earned shall be credited to the account referred to in this section and may be invested by the Secretary of Agriculture in insured or fully-collateralized interest-bearing accounts or, at the discretion of the Secretary of Agriculture, by the Secretary of the Treasury in United States Government debt instruments. Fees and charges, including late payment penalties and interest earned from the investment of such funds shall be credited to such account.".

SEC. 2511. TOBACCO ADJUSTMENT ACT OF 1983.

Section 213(d) of the Tobacco Adjustment Act of 1983 (7 U.S.C. 511r) is amended by adding at the end the following new sentences: "Any fees collected, late payment penalties, and interest earned shall be credited to the account referred to in this section and may be invested by the Secretary of Agriculture in insured or fully-collateralized interest-bearing accounts or, at the discretion of the Secretary of Agriculture, by the Secretary of the Treasury in United

States Government debt instruments. Fees and charges, including late payment penalties, and interest earned from the investment of such funds shall be credited to the account referred to in this section.".

SEC. 2512. COSTS OF PRODUCTION.

(a) IMPROVING THE ACCURACY OF COMMODITY PROGRAM BUDGET FORECASTS.—Congress finds that, to improve the accuracy of commodity program benefit forecasts, the Secretary of Agriculture should designate a single organization to manage its commodity program forecasting and establish a quality control program to—

(1) systematically identify the source of forecasting errors;

(2) maintain records of data used for supply and demand forecasts;

(3) document its forecasting methods; and

(4) correct weaknesses in its various forecasting components.

(b) RETURN ON ASSETS.—The Secretary of Agriculture shall annually publish a report analyzing the return on assets resulting from the production of upland cotton, rice, wheat, corn, oats, barley, grain sorghum, soybeans, peanuts, sugar from sugar beets, and raw sugar from sugar cane. In conducting this analysis, the Secretary shall consider returns from agricultural price support programs, the effects of agricultural price support programs on cost of production, the factors currently used in Department of Agriculture cost of production data, current value of land, and any other information that he considers necessary to reflect accurately return on the production of such crops.

SEC. 2513. FARM VALUE OF AGRICULTURAL PRODUCTS.

(a) IN GENERAL.—The Secretary of Agriculture (hereafter in this section referred to as the "Secretary") shall develop a system for informing the ultimate consumer of the approximate amount of money (in terms of United States currency) paid the agricultural producer for each primary commodity, contained in retail products. For the purposes of this subsection, the term "primary commodity" means any of 135 United States agricultural commodities the Secretary determines are of dietary significance (including all of the commodities for which Federal agricultural programs exist under the Agricultural Act of 1949).

(b) ANNUAL REPORT BY SECRETARY.—The Secretary shall annually submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, by type of commodity or product, a report containing the information required to be made available to the consumer under subsection (a). In developing such report, the Secretary may seek assistance from such persons as the Secretary deems appropriate.

SEC. 2514. COMMODITY REPORTS.

(a) CROP REPORTS.—The Secretary of Agriculture (hereafter in this section referred to as the "Secretary") shall gather data from producers to be used to develop crop reports to be distributed by the Secretary during the growing season. The report shall contain statements of the conditions of those crops by State, with such explana-

tions, comparisons, and information as may be useful for illustrating such reports.

(b) Special Reports.—

(1) In General.—In addition to the reports compiled pursuant to subsection (a), the Secretary shall annually survey producers for information for reports regarding supply, acreage, production, disposition, and prices for the following commodities as determined by the Secretary:

(A) 25 fresh market vegetables;
(B) 3 processing vegetables;
(C) 6 fruits and nuts;
(D) 17 forage and turf seeds;
(E) 50 vegetable seeds; and
(F) maple syrup.

(2) Administrative.—The Secretary shall annually prepare a report containing results of the surveys described in paragraph (1) in such States as determined by the Secretary. Such reports shall be submitted to and officially approved by the Secretary of Agriculture before being issued or published.

(c) Tree Inventories.—The Secretary shall survey producers for information for reports regarding fruit and nut tree inventories. Such surveys and reports shall be conducted, printed, and distributed on a regular basis every 3 to 5 years as determined by the Secretary. Reports shall be submitted to and officially approved by the Secretary before being issued or published.

(d) Conforming Amendments.—The proviso under the heading "Bureau of Crop Estimates" in the Act of March 4, 1917 (ch. 179; 39 Stat. 1157) and the first proviso under the heading of the "Bureau of Statistics" in the Act of March 4, 1909 (ch. 301; 35 Stat. 1053) (7 U.S.C. 411a) are repealed.

(e) Authorization.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

SEC. 2515. SCARCE FEDERAL RESOURCES.

Notwithstanding any other provision of this Act, to conserve scarce Federal resources, the Secretary of Agriculture may after concurrence with the Chairman and Ranking Member of the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Chairman and Ranking Member of the Committee on Agriculture of the House of Representatives, rank by priority the studies or reports authorized by this Act and determine which of those studies or reports shall be completed. The Secretary shall complete at least 12 such studies or reports.

SEC. 2516. RECORDKEEPING IMPROVEMENT.

(a) Short Title.—This section may be cited as the "Agricultural Program Reporting and Recordkeeping Improvement Act of 1990".

(b) Goal.—To the extent practicable, it shall be the goal of this section to bring about, within 3 years following the date of enactment of this Act, a substantial reduction in the volume of documentation, and in the amount of time devoted and the number of visits to Department of Agriculture offices, that are necessary to complete paperwork required of the typical producer participating in programs administered by the Secretary of Agriculture.

(c) REPORTED.—Not later than 240 days after the date of enactment of this Act, the Secretary of Agriculture (hereafter referred to in this section as the "Secretary") shall prepare and submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report containing specific proposals for reducing and simplifying the recordkeeping and other paperwork required of agricultural producers and cooperatives (hereinafter referred to in this section as "producers") who apply for participation in, or in complying with the requirements of—

(1) agricultural price and income support programs administered by the Secretary, including programs under the Agricultural Act of 1949 (7 U.S.C. 1421, et seq.);

(2) voluntary or mandatory soil or water conservation programs administered by the Secretary, including programs under the Food Security Act of 1985 (7 U.S.C. 1281, note, et seq.); and

(3) any other related programs administered by the Secretary, including programs under the Consolidated Farm and Rural Development Act (7 U.S.C. 1981, et. seq.) and programs of crop insurance under the Federal Crop Insurance Corporation.

(d) CONTENTS OF REPORT.—

(1) IN GENERAL.—In the report required by subsection (c), the Secretary shall set forth the results of a thorough examination of the feasibility of reducing current levels of paperwork and recordkeeping required of producers by providing such producers with access to a computerized departmental network or system (including the utilization of computer capability and equipment which has been or will be acquired by the Department of Agriculture) that could be used by producers to—

(A) communicate by voice, data, video, or a combination thereof for the purpose of submitting electronically all of, or a significant portion of, any necessary and appropriate applications, reports, or other documentation; and

(B) provide updated electronic information and data pertinent to the producer's agricultural operation and marketing activities, or information sharing by means of video conferencing.

For the purpose of preparing the report required by this subsection, the Secretary is authorized to retain the consulting service of at least one private sector business firm having experience and possessing technical expertise in the fields of wide area computer network design, function, installation, and maintenance, integrated video conferencing, and data base management systems.

(2) SCHEDULE OF FEES.—In determining the feasibility and costs of providing a computerized network or system as described in paragraph (1), the Secretary may recommend a schedule of nominal fees which could be charged to producers and others for a pro rata share of a portion of the costs associated with the producers' access to and use of such system. Such fees would partially or entirely defray the costs (after taking into consideration any ongoing savings to the Department of Agriculture) associated with the operation and maintenance and

future expansion of such portion of the network or system and its capabilities, but shall not be applied in a manner that would include any reimbursement for existing equipment and capabilities or for the costs associated with the initial establishment of the network or system. The report should also contain recommendations outlining additional categories of users who might be permitted access to the network or system for a fee, and the types of safeguards which would be reasonably necessary to limit file access as may be necessitated in accordance with provisions of the Privacy Act of 1974 (5 U.S.C. 552a) and other relevant authorities governing the disclosure of individual or proprietary information.

(e) RECOMMENDATIONS OF NATIONAL COMMISSION.—

(1) GENERALLY.—To the maximum extent practicable, in preparing the report required by subsection (c), the Secretary shall take into consideration and incorporate the recommendations of the commission created by title V, section 501 of the Farm Credit Amendments Act of 1985 as contained in the Report of the National Commission on Agricultural Finance, dated February 22, 1989, to the extent that such recommendations relate to the need to develop a universal loan application form and uniform accounting standards for farm businesses. In considering such recommendations, the Secretary shall attempt to design and adopt forms and standards that are as brief and succinct as possible, and shall consult with representatives of the Farm Credit System, the commercial banking system, and other significant providers of farm ownership and operating credit.

(2) PAPERWORK REDUCTION.—In order to increase the efficiency of agricultural programs administered by the Secretary and to reduce the burden of paperwork on participants in such programs, the Secretary shall design and adopt, to the maximum extent practicable, one brief application form to be used by applicants for participation in the agricultural programs administered by the Secretary, including, the programs described in subsection (c). The report required by subsection (c) shall include information with regard to the progress made by the Department toward compliance with this subsection, and shall also identify any statutory impediments to the use of such single brief form.

(f) INTEGRATION OF DATA BASES.—Notwithstanding any other provisions of this section, the Secretary of Agriculture shall take appropriate action to integrate the various data bases of the Department of Agriculture relating to agricultural program data, and shall facilitate the sharing of relevant data among the various agencies of the Department of Agriculture.

SEC. 2517. STUDY OF THE TRANSPORTATION OF FERTILIZER AND AGRICULTURAL CHEMICALS TO FARMERS.

(a) STUDY.—The Secretary of Agriculture shall conduct a study regarding the transportation of fertilizer, agricultural pesticides, and agricultural use hazardous materials such as fuel to the farm. Such study shall include a review and analysis of—

(1) the transportation of fertilizer, fuels (such as liquid propane gas, diesel, gasoline heating oil, methane, and others), and agricultural pesticides to farms by farmers, hired farm labor, and agribusiness, including—

(A) safety practices used, the type of the equipment used, roads traveled, and employees engaged in such transportation; and

(B) any significant distinctions between transportation by retail dealers and transportation by farmers;

(2) Federal and State requirements imposed on the transportation of fertilizer, fuels, and agricultural pesticides by farmers, hired farm labor, and agribusiness retail dealers to farms (and exemptions, exclusions or waivers authorized under such requirements), including—

(A) commercial driver's license requirements;

(B) driver qualification requirements;

(C) alcohol and drug testing requirements; and

(D) worker safety requirements;

(3) the compliance by farmers and retail dealers and their employees with such Federal and State requirements and the costs associated with compliance;

(4) the safety history associated with the transport of fertilizers, fuel, and pesticides by farmers and retail dealers and their employees; and

(5) the impact on rural communities, employment, and the cost and availability of fertilizer, fuel, and agricultural pesticides associated with complying with such Federal and State requirements.

(b) REPORT.—Not later than 18 months after the date of the enactment of this Act, the Secretary of Agriculture shall publish a report of such study and analyses (including comments on the adequacy of existing Federal and State requirements or exemptions) and submit the report to the appropriate committees of Congress.

(c) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of fulfilling the study, analyses, and reporting requirements under this section, there is authorized to be appropriated not more than $75,000.

SEC. 2518. ESTABLISHING QUALITY AS A GOAL FOR COMMODITY CREDIT CORPORATION PROGRAMS.

In carrying out its activities the Commodity Credit Corporation shall, to the extent practicable, provide for program provisions that promote quality in the production and marketing of crops and livestock in the United States.

SEC. 2519. SEVERABILITY.

If any provision of this Act or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this Act which can be given effect without regard to the invalid provision or application, and to this end the provisions of this Act are severable.

And the House agree to the same.

E DE LA GARZA,
GEORGE E. BROWN, Jr,
CHARLIE ROSE,

Glenn English,
Jerry Huckaby,
Dan Glickman,
Charlie Stenholm,
Harold L. Volkmer,
Charles Hatcher,
Leon E. Panetta,

Mr. Panetta for subtitle G of title XII, title XIV (except sec. 1414 and subtitles C and D), and title XVII of the House amendment, and title XVII (except sec. 1730), subtitle I of title XIX, sec. 1973, subtitle G of title XXI, and title XXIV of the Senate bill,

Richard Stallings,

Mr. Stallings in lieu of Mr. Panetta for titles II, XXVIII, and XXIX of the House amendment and title IX, title XIII (except sec. 1303), and subtitle B of title XX of the Senate bill,

Jim Olin,

Mr. Olin in lieu of Mr. Panetta, for title IV, title XIII (except for subtitle H), subtitle D of title XIV, and sec. 1843 of the House amendment and title I, sec. 1283, title XIV (except sec. 1496), and title XVI of the Senate bill,

Tim Johnson,

Mr. Johnson of South Dakota in lieu of Mr. Panetta for title V (except sec. 502) and subtitle A of title VI of the House amendment and title II and subtitle C of title X of the Senate bill,

Jill L. Long,

Ms. Long in lieu of Mr. Panetta for title X, title XI (except sec. 1109), and subtitle A of title VII of the House amendment, and for title IV, title VIII, title X (except subtitle C), sec. 301 (insofar as it adds a new sec. 107A(e)(4)(E) to the Agricultural Act of 1949), sec. 501 (insofar as it adds a new sec. 103A(e)(4)(D) to the Agricultural Act of 1949), and sec. 601 (insofar as it adds a new sec. 101A(e)(4)(D) to the Agricultural Act of 1949),

Roy Dyson,

Mr. Dyson in lieu of Mr. Panetta for sec. 502, subtitle B of title VI, subtitle B of title VII, sec. 1414, subtitle C of title XIV, and sec. 1841 of the House amendment, and title XXI (except subtitle G) and sec. 1730 of the Senate bill,

H. Martin Lancaster,

Mr. Lancaster in lieu of Mr. Panetta for title VIII of the House amendment and title VII of the Senate bill,

Jim Jontz,

Mr. Jontz in lieu of Mr. Panetta for subtitle A of title XVIII, and sec. 1508 of the House amendment, and subtitle B of title XIX and title XVIII of the Senate bill,

Gary Condit,

Mr. Condit in lieu of Mr. Panetta for sec. 1109, title XII (except subtitle G), and sec. 1833 of the House amendment and title XI (except subtitle E), sec. 1551, and title XXIII of the Senate bill, Claude Harris,

Mr. Harris in lieu of Mr. Panetta for title XV (except for sec. 1508) and title XXVII of the House amendment and title XV (except sec. 1551) of the Senate bill,

Mike Espy,

Mr. Espy in lieu of Mr. Panetta for title III of the House amendment, and title VI (except new sec. 101A(e)(4)(D) of the Agricultural Act of 1949, as added by sec. 601), and subtitle K of title XIX of the Senate bill,

Bill Sarpalius,

Mr. Sarpalius in lieu of Mr. Panetta for titles I, IX, and XXX of the House amendment and title III (except new sec. 107A(e)(4)(E) of the Agricultural Act of 1949, as added by sec. 301), title V (except new sec. 103A(e)(4)(D) of the Agricultural Act of 1949, as added by sec. 501), and subtitle E of title XI of the Senate bill,

Timothy J. Penny,

Mr. Penny in lieu of Mr. Panetta for title XVI, sec. 1844, and subtitle H of title XIII of the House amendment, and title XII (except sec. 1283), sec. 1303, and subtitle A of title XIX of the Senate bill,

Robin Tallon,

Mr. Tallon in lieu of Mr. Panetta for titles XIX, XXII, XXIII, XXIV, and XXVI, and sec. 1857 of the House amendment, and title XX (except subtitles A, B, and F), and title XXII of the Senate bill,

Harley O. Staggers, Jr.,

Mr. Staggers in lieu of Mr. Panetta for title XVIII (except subtitle A, secs. 1833, 1841, 1843, 1844, and 1857), title XX, and title XXI of the House amendment and sec. 1496, subtitles H and J (except sec. 1973) of title XIX, and subtitles A and F of title XX of the Senate bill,

Bob Wise,

Mr. Wise in lieu of Mr. Panetta for title XXV of the House amendment,

Edward R. Madigan,
Tom Coleman,
Ron Marlenee,
Arlan Stangeland,
Larry J. Hopkins,
Pat Roberts,
Bill Emerson,

Mr. Emerson in lieu of Mr. Marlenee on sec. 502, title XIV, title XVII and sec. 1841 in lieu of Mr. Hopkins for subtitle B of title VII and subtitle B of title VI of the House amendment and subtitles A and B of title XVII, sec. 1730, subtitle I of title XIX, sec. 1973, subtitle G of title XXI and title XXIV of the Senate bill,

Sid Morrison,

Mr. Morrison in lieu of Mr. Hopkins on titles XV and XXVII of the House amendment and title XV (except sec. 1551) and subtitle B of title XIX of the Senate bill,

Steve Gunderson,

Mr. Gunderson in lieu of Mr. Marlenee on titles IV, V (except sec. 502), title VI (except subtitle B) of the House amendment and titles I and II and subtitle C of title X of the Senate bill,

R.F. SMITH,

Mr. Smith of Oregon in lieu of Mr. Hopkins on title IX and title XI (except sec. 1109) of the House amendment and title III, title X (except subtitle C) and sec. 301 (insofar as it adds a new sec. 107A(e)(4)(E) to the Agricultural Act of 1949), sec. 501 (insofar as it adds a new sec. 103A(e)(4)(D) to the Agricultural Act of 1949), and sec. 601 (insofar as it adds a new sec. 101A(e)(4)(D) to the Agricultural Act of 1949) of the Senate bill,

TOM LEWIS,

Mr. Lewis in lieu of Mr. Marlenee on title II of the House amendment and title IX of the Senate bill,

LARRY COMBEST,

Mr. Combest in lieu of Mr. Marlenee on title I of the House amendment and title V (except new sec. 103A(e)(4)(D) of the Agricultural Act of 1949, as added by sec. 501) of the Senate bill,

BILL SCHUETTE,

Mr. Schuette in lieu of Mr. Hopkins on subtitle A of title XVIII of the House amendment and title XVII of the Senate bill,

FRED GRANDY,

Mr. Grandy in lieu of Mr. Hopkins on title X and in lieu of Mr. Marlenee on titles XVI and XXIX and sec. 1857 of the House amendment and title IV, title XII and title XIII of the Senate bill,

WALLY HERGER,

Mr. Herger in lieu of Mr. Marlenee on sec. 1109 and title XII except for subtitle G of the House amendment and title XI (except subtitle E), title XIII and sec. 1551 of the Senate bill,

CLYDE C. HOLLOWAY,

Mr. Holloway in lieu of Mr. Hopkins on title III of the House amendment and title VI except sec. 601 (insofar as it adds a new sec. 101A(e)(4)(D) to the Agricultural Act of 1949) of the Senate bill,

JAMES T. WALSH,

Mr. Walsh in lieu of Mr. Hopkins on title XVIII except subtitle A of the House amendment and subtitle H (except sec. 1962), subtitle J (except sec. 1973), and subtitle K of title XIX of the Senate bill,

BILL GRANT,

Mr. Grant in lieu of Mr. Marlenee on title VIII of the House amendment and title VII of the Senate bill,

R.F. SMITH,

Mr. Robert F. Smith is appointed in lieu of Mr. Marlenee for title XII of the Senate bill and title XVI of the House amendment,

SID MORRISON,

Mr. Morrison of Washington is appointed in lieu of Mr. Marlenee for title XIII of the Senate bill and title XXIX of the House amendment, FRED GRANDY,

Mr. Grandy is appointed in lieu of Mr. Hopkins for all provisions except title VII and sec. 1962 of the Senate bill, and title VIII and sec. 1249 of the House amendment, on which Mr. Hopkins will remain a conferee, and Mr. Lewis of Florida is appointed in lieu of Mr. Hopkins for subtitle A of title XVII of the Senate bill and title XIV of the House amendment,

From the Committee on Foreign Affairs, for consideration of titles XI (except secs. 1124, 1125, 1134, 1137, and subtitle E), XXIII (except sec. 2306), secs. 114, 1423, 1551, 1751–60, 1763, and 1765 of the Senate bill, and title XII (except secs. 1241 and 1243–46) and secs. 415, 1312(a), and 1833 of the House amendment, and modifications committed to conference:

DANTE B. FASCELL,
LEE H. HAMILTON,
GUS YATRON,
STEPHEN J. SOLARZ,
HOWARD WOLPE,
GEO. W. CROCKETT, Jr.,
SAM GEJDENSON,
MERVYN M. DYMALLY,
PETER H. KOSTMAYER,
WM. S. BROOMFIELD,
BEN GILMAN,
JIM LEACH,
TOBY ROTH,
DOUG BEREUTER,

From the Committee on Foreign Affairs, for consideration of subtitle E of title XI, secs. 1931–35 and 1937–39 of the Senate bill, and title XXX of the House amendment, and modifications committed to conference:

DANTE B. FASCELL,
LEE H. HAMILTON,
GUS YATRON,
SAM GEJDENSON,
WM. S. BROOMFIELD,
TOBY ROTH,

From the Committee on Merchant Marine and Fisheries, for consideration of subtitle E of title XI of the Senate bill, and title XXX of the House amendment, and modifications committed to conference:

WALTER B. JONES,
GERRY E. STUDDS,
CARROLL HUBBARD,
BILLY TAUZIN,
DENNIS M. HERTEL,
WILLIAM O. LIPINSKI,
BOB DAVIS,
DON YOUNG,
NORMAN F. LENT,
JACK FIELDS,

From the Committee on Merchant Marine and Fisheries, for consideration of secs. 1238, 1286, and 1422 of the Senate bill, and secs. 1314 and 1602 of the House amendment, and modifications committed to conference:

WALTER B. JONES,
GERRY E. STUDDS,
DENNIS M. HERTEL,
BOB DAVIS,
DON YOUNG,

From the Committee on Ways and Means, for consideration of sec. 902, those portions of sec. 1121 adding new secs. 101(5), 103(5), 113(c)(2), 114, 204(c)(2)(B), 404.05, 503(b)(3), 504, and 601 (c) and (f) to the Agricultural Trade Act of 1978, secs. 1122, 1124–25, 1137, 1716(c), that portion of sec. 2123 adding a new sec. 7A(e) to the Cotton Research and Promotion Act, secs. 2140, 2155(g), 2178, 2188, 2203 2306, 2452, and 2454 of the Senate bill, and sec. 614, those portions of sec. 1221 adding new secs. 101(4), 105(a), 106, 402(c) and (f) to the Agricultural Trade Act of 1978, secs. 1223(i), 1241, 1243, 1245–47, 1428, 1445(g), 1468, 1475(3), 1485(d) and 1494 of the House amendment, and modifications committed to conference:

DAN ROSTENKOWSKI,
SAM GIBBONS,
ED JENKINS,
BILL ARCHER,
PHIL CRANE,
ANDREW JACOBS, Jr.
(except, that, for consideration of secs. 2203, 2452, and 2454 of the Senate bill, Mr. Jacobs is appointed in lieu of Mr. Jenkins),

From the Committee on Ways and Means, for consideration of secs. 1134, 1721, and 1730A of the Senate bill, and modifications committed to conference:

DAN ROSTENKOWSKI,
SAM GIBBONS,
J.J. PICKLE,
ED JENKINS,
TOM DOWNEY,
DONALD J. PEASE,
MARTY RUSSO,
FRANK J. GUARINI,
ROBERT T. MATSUI,
BERYL ANTHONY, Jr.,
BILL ARCHER,
GUY VANDER JAGT,
PHILIP M. CRANE,
BILL FRENZEL,
RICHARD T. SCHULZE,
W.M. THOMAS,

From the Committee on Energy and Commerce, for consideration of secs. 1761 and 1762 of the Senate bill, and modifications committed to conference:

John D. Dingell,
Jim Scheuer,
Ron Wyden,
Terry L. Bruce,
J. Roy Rowland,
Ralph M. Hall,
Dennis E. Eckart,
Norman F. Lent,
Bill Dannemeyer,
Bob Whittaker,
Tom Tauke,
Tom Bliley,
Jack Fields,

From the Committee on Energy and Commerce, for consideration of secs. 1495, 1497, and 1498J–L of the Senate bill, and modifications committed to conference:

John D. Dingell,
J. Roy Rowland,
Norman F. Lent,
Tom Tauke,

From the Committee on Energy and Commerce, for consideration of sec. 1437 of the Senate bill, and sec. 1367(b) of the House amendment, and modifications committed to conference:

John D. Dingell,
Dennis E. Eckart,
Norman F. Lent,
Tom Tauke,

From the Committee on Energy and Commerce, for consideration of title XVI (except secs. 1615–16, 1620 (b), (c), (d), and (f)) and sec. 1716 of the Senate bill, and secs. 1495J–95L, 1495M (a), (e) and (g) and 1495N–95V of the House amendment, and modifications committed to conference:

John D. Dingell,
Terry L. Bruce,
Norman F. Lent,
Tom Tauke,

From the Committee on Energy and Commerce, for consideration of subtitle C of title XVII of the Senate bill, and modifications committed to conference:

John D. Dingell,
Ron Wyden,
Norman F. Lent,
Tom Bliley,

From the Committee on Energy and Commerce, for consideration of sec. 1773 of the Senate bill, and modifications committed to conference:

John D. Dingell,
J. Roy Rowland,
Norman F. Lent,
Bob Whittaker,

From the Committee on Energy and Commerce, for consideration of sec. 1772 of the Senate bill, and sec. 1376A of the House amendment, and modifications committed to conference:

JOHN D. DINGELL,
THOMAS A. LUKEN,
AL SWIFT,
NORMAN F. LENT,
TOM TAUKE,

From the Committee on Energy and Commerce, for consideration of sec. 1948 of the Senate bill, and modifications committed to conference:

JOHN D. DINGELL,
THOMAS A. LUKEN,
AL SWIFT,
NORMAN F. LENT,
BOB WHITTAKER,

From the Committee on Energy and Commerce, for consideration of secs. 2033(3)(F), 2079, and 2081 of the Senate bill, and modifications committed to conference:

JOHN D. DINGELL,
ED MARKEY,
AL SWIFT,
NORMAN F. LENT,
TOM TAUKE,

From the Committee on Energy and Commerce, for consideration of section 1399 of the House amendment, and modifications committed to conference:

JOHN D. DINGELL,
EDOLPHUS TOWNS,
NORMAN F. LENT,
TOM BLILEY,

From the Committee on Agriculture, for consideration of those positions of sec. 1121 adding new secs. 101(5), 103(5), 113(c)(2), 114, 204(c)(2)(B), 404–05, 503(b)(3), 504, and 601 (c) and (f) of the Agricultural Trade Act of 1978, of the Senate bill, and those portions of sec. 1221 adding new secs. 101(4), 105(a), 106, 203, and 402 (c) and (f) to the Agricultural Trade Act of 1978, of the House amendment, and modifications committed to conference:

MIKE ESPY,
CLAUDE HARRIS,
BILL SARPALIUS,
BILL EMERSON,
R.F. SMITH,

From the Committee on Education and Labor, for consideration of secs. 1496(b), 1498–1498N, 1965, 1966, 2471, 2474, 2476, and 2479 of the Senate bill, and secs. 1382, 1774, 1842(b) of the House amendment, and modifications committed to conference:

AUGUSTUS F. HAWKINS,
WILLIAM D. FORD,
JOSEPH M. GAYDOS,
BILL GOODLING,

THOMAS J. TAUKE,

From the Committee on Science, Space, and Technology, for consideration of secs. 1921–30, 1940, and 1944–46 of the Senate bill, and modifications committed to conference:

ROBERT A. ROE,
JAMES H. SCHEUER,
TOM MCMILLEN,
BOB WALKER,
CLAUDINE SCHNEIDER,

From the Committee on Banking, Finance and Urban Affairs for consideration of sec. 1350 of the Senate bill, and modifications committed to conference:

BEN ERDREICH,
PAUL E. KANJORSKI,
THOMAS R. CARPER,
DOUG BEREUTER,
TOBY ROTH,
Managers on the Part of the House.

PAT LEAHY,
DAVID PRYOR,
D.L. BOREN,
RICHARD G. LUGAR,
BOB DOLE,
THAD COCHRAN,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The Managers on the part of the Senate and the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2830) to extend and revise agricultural price support and related programs, to provide for agricultural export, resource conservation, farm credit, and agricultural research and related programs, to ensure consumers an abundance of food and fiber at reasonable prices, and for other purposes, submit the following joint statement to the Senate and House in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.[1]

Short Title

The Senate bill provides that the Act may be cited as the "Food, Agriculture, Conservation, and Trade Act of 1990".

The House amendment provides that the Act may be cited as the "Food and Agricultural Resources Act of 1990".

The Conference substitute adopts the Senate provision.

TITLE I—DAIRY

(1) Findings

The Senate bill provides findings including that—(1) U.S. dairy policy should foster an economic environment in which milk producers have the opportunity to receive a satisfactory return for their labor and investment; (2) the Federal dairy program should foster the use of a component based price support system to more readily reflect market demands and better communicate the economic composition of milk and products derived from milk; (3) market forces, together with appropriate adjustments in the government support price and standby milk production reduction programs should balance supply and demand for milk and dairy products; (4) Federal and State dairy policy must be consistent; (5) dairy policy should protect against widely fluctuating consumer prices and producer income; (6) wholesome dairy products should be available for domestic and international nutrition programs; and (7) the dairy program should encourage greater protein production in milk and discourage additional butterfat production through the use of incentives and disincentives. (Section 101)

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[1] The reference to "SB" and "HB" are references to the Senate bill and House amendment, respectively. In general, the Statement of Managers is arranged in order by title of the conference substitute, and by the Senate bill within the title.

The House amendment provides findings including identical findings to the Senate's findings (1), (2), and (3), and the following: (1) the Federal support price should establish a minimum price which guarantees an adequate supply of wholesome milk; (2) Federal dairy support programs should embody the notion that the market for dairy products is national in scope; (3) U.S. milk producers should be treated equally under Federal laws that compel the Secretary to purchase dairy products under the price support program; (4) an alternative milk production reduction program should be used only when price changes alone will not balance supply with demand within a reasonable time period without greatly disrupting the market for dairy products; and (5) factors such as the cost of the program, the program's effect on other agricultural segments, the economic conditions in agriculture and fiscal goals should be considered when an alternative inventory management program is considered. (Section 401)

The Conference substitute deletes both provisions.

(2) Commodity Credit Corporation (CCC) bid prices

The Senate bill contains no comparable provision.

The House amendment requires that CCC purchase prices be the same for all purchases of each product and that such prices be sufficient to enable plants of average efficiency to, on average, pay a price to producers not less than the support price. (Section 402)

The Conference substitute adopts the House provision (Sec. 101).

(3) Maximum purchase price for butter

The Senate bill sets the maximum CCC purchase price for butter at $0.983 per pound in calendar year 1991, $0.815 in calendar years 1992 and 1993, and $0.788 in calendar years 1994 and 1995. (Section 102)

The House amendment sets the maximum CCC purchase price for butter at $.9825 in fiscal year 1991; $.8150 in fiscal years 1992 and 1993; $.7875 in fiscal years 1994 and 1995. (Section 402)

The Conference substitute deletes both provisions.

(4) Alternative allocation

The Senate bill provides that the Secretary may set butter and nonfat dry milk prices at different levels to reduce CCC program costs. The Secretary is required to notify the House and Senate agriculture committees of any change. (Section 102).

The House amendment is similar to the Senate provision. (Section 402)

The Conference substitute adopts the Senate provision. (Sec. 101)

(5) Timing of purchase price adjustments

The Senate bill provides that the Secretary may make adjustments in the CCC purchase prices for nonfat dry milk and butter but not more than twice in each calendar year. (Section 102)

The House amendment contains no similar provision.

The Conference substitute adopts the Senate provision (Sec. 101).

(6) Support rate adjustment dates

The Senate bill provides that any adjustments in support rate take effect on January 1 for calendar years 1991 through 1995. (Section 102)

The House amendment provides that any adjustments in support rate take effect on October 1 for fiscal years 1992 through 1996. (Section 402)

The Conference substitute adopts the Senate provision. (Sec. 101)

(7) Support rate reductions

The Senate bill provides for a support price reduction of 25 cents to 50 cents if CCC purchases are estimated to exceed 5 billion pounds and requires that the House and Senate agriculture committees be notified in advance of any increase. In no event may the support price fall below $10.10 per hundredweight (Section 102).

The House amendment is identical to Senate provision with the exception of the adjustment dates (Sec. 402).

The Conference substitute adopts the Senate provision with technical amendments. (Sec. 101)

(8) Increases in support rate

The Senate bill provides a minimum of $.25 increase if Commodity Credit Corporation purchases are estimated not to exceed 3.5 billion pounds and requires that the House and Senate agriculture committees be notified in advance of any increase. (Section 102)

The House amendment is identical to Senate provision with the exception of the adjustment dates. (Section 402)

The Conference substitute adopts the Senate provision with technical amendments. (Sec. 101)

(9) No adjustment in support rate

The Senate bill provides that if Secretary does not adjust the support rate, it will be the same as for the current year. (Section 102)

The House amendment provides that if Commodity Credit Corporation purchases are estimated to be greater than 3.5 billion and less than 5 billion pounds, the Secretary shall not reduce the support rate. (Section 402)

The Conference substitute adopts the House provision with technical amendments. (Sec. 101)

(10) Definition of "milk equivalent, total milk solids"

The Senate bill provides that "milk equivalent, total milk solids basis", of milk and the products of milk, purchased by the Commodity Credit Corporation, shall be equal to the weighted average of (1) the milk equivalent of the products, as computed on a milk fat basis (up to 40 percent); and (2) the milk equivalent of the products, as computed on a milk solids, not fat basis (up to 70 percent); provides that weighting factors must total 100 percent. (Section 102)

The House amendment is similar to the Senate provision: "milk equivalent, total milk solids basis" means the weighted average of the milk equivalents as computed on a milkfat basis and on a nonfat solids basis with weighting factors of not more than 40 percent of milkfat and not more than 70 percent of nonfat solids; provides that weighting factors must total 100 percent. (Section 402)

The Conference substitute adopts the House provision with technical amendments. (Sec. 101)

(11) Treatment of import levels in calculation of Commodity Credit Corporation purchases

The Senate bill requires that imports in any year that exceed the average level of imports from 1986 through 1990 be deducted from the Secretary's estimate of the level of Commodity Credit Corporation purchases. (Section 102)

The House amendment provides that in calculating Commodity Credit Corporation purchases, the Secretary is to deduct the amount by which the level of imports of milk products in the most recent calendar year exceeds the annual average imports from 1986 through 1990, milk equivalent, total milk solids basis. (Section 402)

The Conference substitute adopts the House provision (Sec. 101).

(12) Inventory management study [SB 102, HB 402]

The Senate bill provides that by July 1, 1991, the Secretary must prepare a report and recommendations on milk marketing adjustment programs to be implemented if purchases exceed 7 billion pounds, milk equivalent, total milk solids basis.

The Secretary must use a notice and comment procedure to solicit comments from the dairy industry concerning these proposals and notify industry and the public of the Secretary's evaluation of those proposals (time deadlines of 90 days on original notice and 180 days on evaluation are established).

The Secretary must evaluate the proposals received concerning a milk marketing adjustment program using the following criteria: (1) speed and effectiveness of reducing excess milk production; (2) effectiveness in sustaining reduced milk production for at least a five year period with and without the continuation of the program; (3) regional impact on milk prices, producer revenue and milk supplies; (4) impact on national producer income and government expenditures; (5) impact on rural economy and maintaining family farms; (6) impact on the availability of wholesome dairy products for domestic and foreign nutrition and food assistance programs; (7) technological innovations; (8) effectiveness in reducing butter fat production and increasing protein content in milk; (9) impact of temporary increases and decreases of milk production; (10) impact on the U.S. cattle industry; and (11) all other issues the Secretary deems appropriate.

The report, and its annual updates, must be presented to Congress. (Section 102)

The House amendment provides that within 180 days of enactment, Secretary must submit a report that: (1) recommends an inventory management program for implementation when purchases are projected to exceed 7 billion pounds, milk equivalent, total milk solids basis; (2) evaluates two-tier pricing systems or a plan to achieve equivalent results; (3) does not evaluate any termination or diversion program or any program that relies on producer assessments; (4) seeks methods to reduce surpluses, lower costs, and provide for orderly marketing of surplus.

The report must include, but is not limited to, the following topics: (1) the difficulties and possible resolutions associated with the disposition and orderly marketing of milk priced below world market prices through export, domestic feeding programs, and other marketing channels; (2) the establishment of a Class IV price for milk and its impact on the Federal milk marketing order system and on non-Federal milk marketing order milk; (3) plans to achieve desired results other than through a two-tiered pricing system. (Section 402)

The Conference substitute requires the Secretary, in order to develop a program to limit further growth in government purchases of dairy products, to prepare a report and recommendations on various milk inventory management programs for submission to Congress by August 1, 1991. Not later than 60 days after the date of enactment of this Act, the Secretary should solicit proposals through notice in the Federal Register. The Secretary is to analyze and make recommendations on alternative milk inventory management programs, including an alternative classification under the Federal milk marketing order system (such as a Class IV), a program for the support of dairy farmer income through a system of established prices and deficiency payments, and any other milk inventory management programs which the Secretary determines—in consultation with the House and Senate agriculture committees—should be evaluated.

The Secretary's analysis shall not include consideration of any program for mandatory cattle slaughter or support price reductions. With respect to the study of a proposal for income support through a system of established prices and deficiency payments in subparagraph (3)(B), the Managers intend that the prohibition against studies reducing the support price in subparagraph (4) shall not apply if the income support program maintains producer per unit income protection at a level equal to, or greater than, that level resulting from the minimum price support level contained in the Title. In preparing the analysis, the Secretary must evaluate policy options using the following criteria: (1) the ability of the program to limit Commodity Credit Corporation purchases of milk products to 6 billion pounds, milk equivalent, total milk solids basis, per year; (2) speed and effectiveness of reducing excess milk production; (3) effectiveness in sustaining reduced milk production for at least a five-year period with and without the continuation of the program; (4) regional impact on milk prices, producer revenue and milk supplies; (5) impact on national producer income and government expenditures; (6) impact on the rural economy and maintenance of family farms; (7) impact on the availability of wholesome dairy products for domestic and foreign nutrition and food assistance programs; (8) technological innovations; (9) effectiveness in reducing butter fat production and increasing protein content in milk; (10) impact of temporary increases and decreases of milk production; (11) impact on the United States livestock industry; and (12) all other issues the Secretary deems appropriate.

The Secretary must provide for a period of notice and comment by no later than June 1, 1991.

The Conference substitute requires that the Secretary report to Congress by August 1 and November 20 of each of the calendar years 1991 through 1995 on the estimated volume of dairy product purchases for the upcoming calendar year (Sec. 101).

(13) Implementation of inventory management

The Senate bill provides that if, on November 1 of each of the calendar years 1991 through 1995, the Secretary estimates that the level of Commodity Credit Corporation purchases of milk and the products of milk for the following calendar year will exceed 7 billion pounds, milk equivalent, total milk solids basis the Secretary must implement a milk marketing adjustment program for the purpose of controlling the level of the purchases of milk and milk products by the Commodity Credit Corporation during such calendar year.

By July 1, the Secretary must notify the Congress as to what milk marketing adjustment program will be implemented if the Secretary estimates Commodity Credit Corporation purchases will exceed 7 billion pounds, milk equivalent, total milk solids basis, in the next calendar year. The Secretary must implement such milk marketing adjustment program if purchases will exceed 7 billion pounds, milk equivalent, total milk solids basis, unless a bill is enacted disapproving of such program.

The Secretary must estimate and notify Congress by November 1 of each year whether Commodity Credit Corporation purchases will exceed 7 billion pounds, milk equivalent, total milk solids basis.

If the Secretary implements a milk marketing adjustment program, the Secretary must not offer to enter into a contract with any producer of milk in the U.S. for the purpose of selling for slaughter of any dairy cattle in which the producer owns an interest. (Section 102)

The House amendment provides that if, for any fiscal year 1992 through 1996, Commodity Credit Corporation purchases are estimated to exceed 6 billion pounds, milk equivalent, total milk solids basis, the Secretary shall implement an inventory management program. However, such program shall not be implemented prior to January 1, 1992 or 6 months after submission of the inventory management report, whichever is later. The amendment also prohibits the consideration of any whole-herd buyout or diversion programs.

The Secretary must notify the House and Senate agriculture committees of the type of inventory management program to be implemented by August 1 of the fiscal year preceding the fiscal year in which the program is to be implemented.

By January 1 of the fiscal year for which a plan is to be in effect, the Secretary must submit to Congress a certification containing a statement of facts that the plan will achieve reductions in production to bring purchases below 7 billion pounds, milk equivalent, total milk solids basis.

The House amendment would prohibit the Secretary from entering into contracts with any producer for the purpose of selling for slaughter any dairy cattle in which such producer owns an interest. (Section 402)

As described above, the Conference substitute adopts a procedure under which the Secretary shall develop a program of milk inventory management for submission to Congress for consideration.

The Conference substitute directs the Secretary to institute program of producer assessments for calendar years 1992 through 1995. The Managers intend that the assessment program will only be employed in the event that Congress fails to enact a milk inventory management program. Under the assessment program provided for in the bill the Secretary is required to estimate projected purchases for the year on November 20 of the preceding calendar year. If Commodity Credit Corporation purchases are expected to exceed 7 billion pounds, milk equivalent, total milk solids basis, an assessment is to be imposed on all milk marketed during the year. The amount of the assessment shall be calculated to cover all costs incurred with respect to Commodity Credit Corporation purchases in excess of 7 billion pounds, milk equivalent, total milk solids basis, during that year. If actual purchases of the Commodity Credit Corporation for a year are less than 7 billion pounds, milk equivalent, total milk solids basis, the Secretary shall provide each producer a full refund of the assessment amounts paid. If actual purchases vary from estimated purchases over 7 billion pounds, the Secretary may either refund to each producer any excess assessments collected or adjust future years assessment levels. This provision is intended to increase or decrease funds collected from the producer, in order to ensure that assessments over time reflect the cost of actual purchases in excess of 7 billion pounds.

The Managers note that Congress is currently considering the enactment of assessments on milk marketings as part of deficit reduction legislation for fiscal years 1991 through 1995. As distinguished from the assessments contained in this bill, those contained in the deficit reduction legislation are expected to be refundable for individual producers who, from one year to the next, can demonstrate that their marketings of milk have not increased.

The Managers include this provision with the expectation that the Secretary of Agriculture will submit to Congress various proposals for programs of inventory management in time for Congress to take action to prevent the implementation of the authorized assessments. (Sec. 102)

(14) Make allowance [SB 103, HB 403]

The Senate bill provides that no State may use a greater allowance than that provided for in Federal programs to establish a Grade A price for milk for manufacturing butter, nonfat dry milk, and cheese. (Section 103)

The House amendment is identical to the Senate provision. (Section 403)

The Conference substitute provides that, effective 12 months after the date of enactment, no State or individual plant may collect, directly or indirectly, a manufacturing or "make" allowance for the processing of milk that is in excess of that permitted under a Federal program to establish a Grade price for manufacturing butter, nonfat dry milk, or cheese unless the net return to producers exceeds the level of price support which is provided for under the dairy price support program.

The Conference substitute provides enforcement and penalty provisions for States or plants that do not comply with the provision. If the Secretary determines that an individual's claim is supported by evidence that a handler has failed to comply with this section, the handler shall be liable for liquidated damages in an amount equal to the product of twice the make allowance and the quantity of milk involved. The Secretary may issue rules and regulations as may be necessary to enforce this section. The Secretary may undertake investigations to ensure effective administration of this section. In the course of any such investigation, the Secretary may administer oaths, employ subpoenas, require records, and invoke the aid of the District Courts of the United States.

The Managers determined that all State and Federal programs should work in concert to achieve goals established for Federal dairy policy.

The Managers intend that the Department of Agriculture's specification of a manufacturing margin for milk should apply to all areas of the United States. Therefore, the bill requires that no State may have a higher allowance than that provided for in Federal programs for manufacturing milk products. (Sec. 103).

(15) M-W pricing series reform [SB 104, HB 404]

The Senate bill requires the Secretary, within 60 days following enactment, to begin a study of alternative pricing formulas used to determine the minimum prices paid under milk marketing orders.

The data used to compare the alternative pricing formulas shall be made available to the public.

By October 1, 1991, the Secretary shall prepare and provide a report to the House and Senate agriculture committees regarding the results of the study.

If the Secretary determines, as a result of the study, that changes should be made in the mechanism used to compute minimum prices paid under Federal milk marketing orders, the Secretary shall give notice and a reasonable opportunity for public comment on any such proposed changes. (Section 104)

The House amendment requires the Secretary, within 60 days, to commence to accept alternative pricing formula recommendations; requires the publication of a proposed replacement by October 1, 1991; requires data used for comparing alternative pricing formulas to current price series for study be compiled and made available; requires implementation after notice and comment and a thirty legislative day congressional review period; and requires the Secretary to consider a price series based on prices paid by milk processors for Grade A milk used in manufacturing and manufacturing grade milk. (Section 404)

The Conference substitute adopts the House provision with an amendment to require that not later than October 1, 1991, the Secretary shall announce a hearing to consider replacing the Minnesota-Wisconsin price series. The Managers expect the Secretary to act expeditiously and to complete the process, including any amendment or marketing orders required by the final determination, by June 1, 1992, to the maximum extent practicable. (Sec. 104)

(16) Hearings on FMMOs

The House amendment requires the Secretary to conclude the national hearings on Federal milk marketing orders in time to effect, by January 1, 1992, any changes in prices to producers for Grade A milk. (Section 405)

The Senate bill contains no similar provision.

The Conference substitute adopts the House provision with an amendment. Under the provision, the Secretary of Agriculture shall, to the maximum extent practicable and consistent with applicable statutes, effect any systemwide changes resulting from the national hearings by January 1, 1992. It is the intent of the Managers that this provision not be construed to suggest whether or not changes should be made in Grade A prices under the Federal milk marketing orders. (Sec. 105)

(17) Export sales [SB 111, HB 412]

The Senate bill amends section 1163 of the Food Security Act of 1985 (7 U.S.C. 1731e) by extending (1) the sales requirement through fiscal year 1995, and (2) the requirement to report semiannually on the volume of sales to the House and Senate agriculture committees September 30, 1995. (Section 111)

The House amendment is similar to the Senate provision but also provides that the Secretary must sell 184 million pounds of butter for export in fiscal year 1991. Through fiscal year 1995, the Secretary must report semiannually to the House and Senate agriculture committees on the volume of sales made under section 412. (Section 412)

The Conference substitute adopts the Senate provision. (Sec. 112)

(18) Trusts held for benefit of milk producers [SB 118, HB 416]

The Senate bill provides that the Secretary study the need for and impact of a Federal dairy producer trust on the dairy industry, comparable to trusts for the benefit of livestock and poultry producers under the Packers and Stockyards Act, 1921 (7 U.S.C. 191 et seq.). The Secretary must consider: (1) economic losses of dairy producers as a result of bankrupt dairy processing facilities since 1975; (2) State dairy plant security programs; (3) economic costs and benefits to producers and dairy processing facilities of the trust; (4) the need for Federal laws to protect dairy producer and processor income; (5) the need for alternative Federal legislative approaches, including security arrangements or a producer-funded guaranty trust; (6) the likely changes in existing State dairy plant security laws; and (7) the economic impact of excluding dairy cooperatives from the trust fund. The Secretary must consult with the Packers and Stockyards Administration, the Agricultural Cooperative Service, the Agricultural Marketing Service and representatives of the dairy and agricultural lending industries. The Secretary must report to the House and Senate agriculture committees by October 1, 1991 on the results of the study. (Section 118)

The House amendment amends the Packers and Stockyards Act to require milk handlers to hold milk delivered by producers and the receipts from sale of any such milk in trust for unpaid producers or handlers. The trust must be preserved by providing notice to debtor handler and the Secretary within 30 days of the payment due date or within 15 days of receipt of dishonored payment instrument. The provision also vests U.S. district courts with enforcement jurisdiction. (Section 416)

The Conference substitute deletes both provisions.

The Managers deferred the adoption of any provision related to the protection of dairy farmers in the event of a dairy plant bankruptcy pending further analysis of industry needs and potential legislative remedies.

However, the Managers also recognize that dairy producers remain vulnerable in the event of a dairy plant bankruptcy. Thirty-one states do not have statutory protection for dairy producers in the event of a plant bankruptcy. In those states with statutory protection, it is unclear that the degree of protection provided can sufficiently protect dairy producers in the event of a plant bankruptcy. While the Senate provision giving dairy producers a priority position under the Federal bankruptcy code would provide valuable, albeit limited, Federal protection for dairy producers, the Managers would prefer that the range of Federal legislative remedies be more fully analyzed before adoption of either the House or Senate provision.

(19) Multiple Component Pricing Study [SB 116]

The Senate bill requires the Secretary to study the extent to which milkfat is being produced in the U.S. in excess of commercial market needs as a result of current policy of the Federal or State milk pricing program. The Secretary shall assess the impact of multiple component pricing programs to achieve balance in the production, marketing and domestic commercial use of milkfat. Within 180 days, the Secretary shall report on this study and submit recommendations to the House and Senate agriculture committees. A national hearing shall be held to consider the adoption of multiple component pricing provisions in individual Federal milk marketing orders, with an invitation for industry and consumer proposals. (Section 116)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision (Sec. 117).

(20) Subsidized Inputs/Surplus Dairy Production Study [SB 117]

The Senate bill provides that the Secretary shall report on whether subsidized inputs contribute to fluid milk production in excess of demand in States and regions served by the U.S. Bureau of Reclamation. Subsidized inputs include low-cost alfalfa, other hay, pastureland and other forage irrigated with below-cost water from Federal reclamation projects. If the Secretary determines a causal link exists, the Secretary shall make recommendations to address such surplus production. The report shall be submitted to the House and Senate agriculture committees and the House Committee on Interior and Insular Affairs within one year. (Section 117)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

(21) Priority Status of Dairy Producers in Dairy Processor Bankruptcies [SB 119]

The Senate bill provides that dairy producers be given priority status as unsecured creditors against a debtor who owns or operates a dairy processing facility and declares bankruptcy. (Section 119)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

TITLE II—WOOL AND MOHAIR

(1) Payment limitations

The Senate bill applies a $250,000 per year payment limitation for wool or mohair per person. The Secretary must develop regulations consistent with regulations issued by the Secretary in accordance with sections 1001, 1001A, and 1001B of the Food Security Act of 1985 to define a "person" when determining payment limitation. (Section 201(b))

The House amendment limits the total amount of payments any one person may receive under the Act to $200,000 in the 1991 marketing year, $167,000 in the 1992 marketing year, $133,000 in the 1993 marketing year, and $100,000 beginning with the 1994 marketing year. The amendment contains a similar provision to the Senate bill on the definition of "person". (Section 503)

The Conference substitute adopts the House provision with an amendment to limit the wool or mohair payments any one person may receive under the Act to $200,000 for the 1991 marketing year, $175,000 for the 1992 marketing year, $150,000 for the 1993 marketing year, and $125,000 beginning with the 1994 marketing year.

(2) Established price

The Senate bill extends the program to 1995 and provides that, notwithstanding other provisions, the established price will be $1.82 per pound for wool and $4.532 per pound for mohair for the 1991 through 1995 marketing years (April 1 through March 31). (Section 201(c))

The House amendment also extends the program but contains no provision changing the established price from the current formula.

The Conference substitute deletes the Senate provision.

TITLE III—WHEAT

(1) Price Support Loans

(a) Basic Levels or Plan (A)

The Senate bill states that the basic level shall be, under Plan (A), the loan and purchase level not be less than 75 percent, nor more than 85 percent, of the five year olympic average. The loan rate for a crop may not be reduced by more than 5 percent from the level determined for the preceding crop nor below $2.44 per bushel. (New Section 107A(a)(3)(A))

The House amendment states that for the 1991–1995 crops, the loan level shall be not less than 85 percent of the preceding five year olympic average price received by producers of corn, except that the loan level may not be reduced by more than 5 percent from the level determined for the preceding crop. (New Section 107A(a)(2)(A))

The Conference substitute adopts the House provision.

(b) Adjustment to Basic Loan Levels

The Senate bill states that the adjusted level shall be, under Plan (B), the established loan rate as in Plan (A). The level may, however, be adjusted. If the Secretary determines that the average price received by producers for wheat in the previous marketing year was not more than 110 percent of the loan and purchase level, or if the Secretary determines that action is necessary to maintain a competitive market position for wheat, the Secretary may reduce the loan rate by not more than 20 percent in any year. Any reduction in the loan and purchase level for wheat under this subparagraph shall not be considered in determining the loan and purchase level for wheat for subsequent years. If the Secretary elects to reduce the loan rate under (B), the Secretary shall, within 30 days of the election, submit a report to the House and Senate Agriculture Committees containing the following:

(1) a report outlining the budget implications of the election;

(2) a description of the anticipated effect on farm income of the election;

(3) a description of why an adjustment is necessary to prevent the build-up of stocks and to maintain price competitiveness;

(4) and a description of the anticipated effect on the orderly marketing of the crop of wheat of the election.

(New Section 107A(a)(2))

The House amendment adjusts the Basic Loan Rate by allowing the Secretary to reduce the loan and purchase level for wheat for the marketing year, if the Secretary estimates for any marketing year that the ratio of ending stocks of wheat to total use for the marketing year will be—

(1) equal to or greater than 30 percent, by an amount not to exceed 10 percent; and

(2) less than 30 percent but not less than 15 percent, by an amount not to exceed 5 percent.

The Secretary is prohibited from reducing the loan and purchase level, if the Secretary estimates that the ratio of ending stocks of wheat to total use will be less than 15 percent. (New Section 107D(a)(3)(A)) If the Secretary makes such adjustments to the loan level for wheat—

(1) the Secretary must submit to the House and Senate Agriculture Committees a report that certifies the adjustment as necessary to prevent the build-up of stocks and to retain market share, a report that contains a description of the need for the adjustment; and

(2) allowing the adjustment to become effective no earlier than 60 calendar days after the date of submission of the report to the committees. (New Section 107A(a)(3)(B))

If the Secretary determines, not later than 60 days prior to the beginning of the marketing year, that the effective loan rate established for a crop will not maintain a competitive market position for wheat, the Secretary may reduce the loan and purchase level for wheat for the marketing year by an amount not to exceed 10 percent in any year, in addition to any reductions based on stocks to use ratios under section 107A(a)(3)(A). (New Section 107A(a)(3)(C)) Any reduction in the loan and purchase level for wheat will not be considered in determining the loan and purchase level for wheat for subsequent years. (New Section 107A(a)(3)(D)) The loan rate for wheat shall not be less than $2.44 per bushel, unless such rate would exceed 80% of the five-year average market price determination. (New Section 107A(a)(3)(E))

The Conference substitute adopts the House provision.

(c) Advance Compensation

The Senate bill states that if the loan rate is reduced utilizing Plan (B), the Secretary shall make advance compensation available to producers. The advance compensation shall not be less than an amount determined by multiplying—

(1) the estimated individual farm program acreage for the crop; by

(2) the farm program payment yield for the crop; by

(3) an amount determined by multiplying 0.75 by the amount of the reduction in the loan level for the crop under Plan (B). The advance compensation is to be provided to producers between October 1 and October 31 of the year in which the crop is harvested.

The advance compensation must be repaid not later than 270 days after the beginning of the marketing year for the crop. (New Section 107A(a)(2)(B)(v))

The House amendment contains no comparable provision.

The Conference substitute adopts the House provision.

(2) Loan Repayment

(a) In General

The Senate bill states that the Secretary shall permit a producer to repay a wheat price support loan for a crop at the lesser of—

(1) the loan level determined for the crop; or

(2) the prevailing world market price for wheat (adjusted to U.S. quality and location). (New Section 107A(a)(3))

The House amendment states that the Secretary may allow a producer to repay a loan at a level that is the lesser of—

(1) the loan level determined for such crop; or

(2) the higher of—

(A) 70 percent of the loan level;

(B) if the loan level for a crop was reduced, 70 percent of the loan level that would have been in effect but for this reduction; or

(C) the prevailing world market price for wheat. (New Section 107A(a)(4))

The Conference substitute adopts the House provision with technical amendment.

(b) Prevailing World Market Price

The Senate bill states that the Secretary must prescribe a formula to define the prevailing world market price for wheat, adjusted to U.S. quality and location; and provide a mechanism to periodically announce the prevailing world market price for wheat. (New Section 107A(a)(3)(B))

The House amendment provides a prevailing world market price similar to current law. (New Section 107A(a)(4)(B))

The Conference substitute adopts the House provision.

(c) Alternative Repayment Rates

The Senate bill provides that if the world market price for wheat is less than the loan level, the Secretary may permit a producer to repay a price support loan at a level (not in excess of the loan level determined for the crop) that the Secretary determines will—

(1) minimize potential loan forfeitures;

(2) minimize the accumulation of wheat stocks by the Federal Government;

(3) minimize the cost incurred by the Federal Government in storing wheat; and

(4) allow wheat produced in the U.S. to be marketed freely and competitively, both domestically and internationally. (New Section 107A(a)(3)(C))

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(3) Loan Deficiency Payments

The Senate bill is similar to current law, however, the producer may obtain this payment on any quantity of wheat that the producer is eligible to place under loan (or obtain a purchase agreement) but instead forgoes obtaining such loan in return for payments. (New Section 107A(b))

The House provision is the same as current law. (New Section 107A(b))

The Conference substitute adopts the Senate provision.

(4) Deficiency Payments

(a) Payment Rate

The Senate bill states that the deficiency payment rate for wheat is the amount by which the established price for the crop exceeds the higher of:

(1) the national average market price received by producers during the first five months of the marketing year for the crop, or

(2) the loan level determined for the crop. (New Section 107A(c)(1)(B))

The House amendment, in subparagraph (C), provides that the payment rate for wheat will be the amount by which the established price for the crop of wheat exceeds the higher of—

(1) the national weighted average market price received by producers during the first six months of the marketing year for such crop, or

(2) the loan level determined for such crop, prior to any adjustment made under section 107A(a)(3) for the marketing year for that crop of wheat. (New Section 107D(c)(1)(C))

The Conference substitute adopts the Senate provision with an amendment. For the 1991 through 1993 crop years, deficiency payments are to be based on the five month average market price. Upon enactment of a Fiscal Year 1991 reconciliation bill, for the 1994 and 1995 crops, the deficiency payment will be computed based on the 12 month season average price. Provisions are made in the section 1121 of the act with respect to the timing of deficiency payments. Payments are to be made as follows: forty to fifty per cent of estimated deficiency payments at time of sign-up, seventy-five per cent of the remaining estimated deficiency payment after the end of the first five months and the remainder to be paid at the end of the marketing year. The Conference substitute also adjusts the method of calculation of deficiency payments to account for the 'triple-base' provision. (Upon enactment of the Fiscal Year 1991 reconciliation bill, the payment acres for purposes of computing deficiency payments shall be reduced by 15 percent of the crop acreage base and for any planting of a crop other than wheat on the crop acreage base under the flexibility provisions of section 1101 of the act.)

(b) Adjustment in Established Price for Acreage Reduction Programs

The Senate bill contains no provision.

The House amendment states that if the Secretary announces an acreage limitation program or a set-aside program in excess of 22.5 percent, the established price shall be increased by an amount not less than 2.55 percent of the established price for that crop for each 2.5 percent increase of the percentage reduction or set aside in excess of 22.5 percent. (New Section 107A(c)(1)(E))

The Conference substitute adopts the Senate provision.

(5) Emergency Compensation

The Senate bill states that if the Secretary adjusts the level of loans and purchases for wheat under Plan (B) below minimum loan levels, the Secretary shall provide emergency compensation similar to current law; except

(1) the Secretary must use the national weighted average market price for the first five months of the marketing year for each of the 1991-95 crops to determine the payment rate.

(2) There is no Senate provisions regarding deadlines for the Secretary's estimate or availability of payments to producers. (New Section 107A(c)(1)(D))

The House amendment provides that if the Secretary adjusts the level of loans and purchases for wheat under section 107A(a)(3), that there shall be similar emergency compensation as provided under current law. (New Section 107D(c)(1)(D))

The Conference substitute adopts the House provision.

(6) 0/92 Program

(a) Use of Conserving Use Acreage

The Senate bill is similar to current law, except that listed crops include mung beans and milkweed. In a change from current law, the Secretary shall permit, subject to terms that the Secretary may prescribe, that conserving use acres may be devoted to sunflowers, rapeseed, canola, safflower, flaxseed and other minor oilseed designated by the Secretary (excluding soybeans). Producers that participate in this program shall agree to forgo eligibility to receive a loan for such oilseed produced on the farm. (New Section 107A(c)(1)(F))

The House amendment is similar to current law, except that listed crops do not include safflower, sunflower, mustard seed, or flaxseed. (New Section 107A(c)(1)(G))

The Conference substitute adopts the Senate provision, including the provision to allow for the planting of minor oilseeds on conserving use acres. Acreage planted to minor oilseeds shall be eligible for either deficiency payments, or for the loan provisions included in the act for minor oilseeds, but not both, at the producer's option. The provisions in current law providing Secretarial discretion for the planting of experimental, industrial and other crops are retained.

(7) Discretionary Disaster Payments

The Senate bill is similar to current law, except that it does not have an explicit provision that prevented planting payments be made in the form of cash or from CCC wheat stocks. (New Section 107A(c)(2))

The House amendment is similar to current law, except that if defines that a condition beyond the control of the producers may result from adjudication of Indian water settlement disputes. (New Section 107A(c)(2))

The Conference substitute adopts the Senate provision.

(8) National Program Acreage

The Senate bill contains no provision.

The House amendment is similar to current law. (New Section 107A(d))

The Conference substitute adopts the Senate provision.

(9) Acreage Reduction Program

(a) Stock Triggers

The Senate bill provides that, if the Secretary estimates that the ratio of wheat-ending stocks to total disappearance of wheat for the preceding marketing year will be—

(1) more than 40 per cent, the Secretary shall provide for an Acreage Reduction Program (ARP) of not less than 12.5 per cent nor more than 20 per cent; or

(2) 40 per cent or less, the Secretary may provide for an ARP of not more than 12.5 per cent. The Secretary is authorized to offer a 0 per cent ARP.

For the purpose of this subparagraph, the term "total disappearance" means all wheat utilization, including total domestic, total export, and total residual disappearance. (New Section 107A(e)(1)(F))

The House amendment provides that if the Secretary estimates that the ratio of ending stocks of wheat to total use of wheat for the marketing year will be—

(1) more than 40 per cent, the Secretary shall provide for an ARP of not less than 20 per cent nor more than 30 per cent; or

(2) 40 per cent or less, the Secretary may provide for an ARP of not more than 20 per cent. (New Section 107A(f)(1)(B))

The Conference substitute adopts the Senate provision with an amendment setting ARP triggers based on the ratio of ending stocks to total use as:

(1) more than 40 per cent, the Secretary shall provide for an Acreage Reduction Program (ARP) of not less than 10 per cent nor more than 20 per cent; or

(2) 40 per cent or less, the Secretary may provide for an ARP of not more than 15 per cent.

The Secretary is authorized to offer a 0 per cent ARP. For the 1991 crop of wheat the ARP is established as 15 percent.

(b) Reduced Acreage

The Senate bill modifies the definition established in current law. Reduced acres is defined as the number of acres determined by multiplying the respective wheat crop acreage base by the percentage reduction required by the Secretary. The remaining acreage is referred to as "permitted acreage."

The House provision is the same as current law. (New Section 107A(f)(2))

The Conference substitute adopts the Senate provision.

(c) Use of Reduced Acreage

The Senate bill provides that producers may plant an oilseed, or other such crop considered appropriate by the Secretary, on no more than one-half of the reduced acreage on the farm. The amount of deficiency payments that such producers are otherwise eligible to receive shall be reduced, for each acre (or portion thereof) that is planted to the oilseeds or other crops, by an amount equal to the deficiency payment that would be made with respect to a number of acres of the crop that the Secretary considers appropriate. If the producers are participating in a program established for more than one program crop, the amount of the reduction shall be prorated to all of such program crops. Reductions in acreage used to compute deficiency payments under this provision must be sufficient to ensure that this provision will result in no additional cost to the CCC. (New Section 107A(e)(2))

The House amendment contains comparable provision.

The Conference substitute adopts the Senate provision with an amendment making the provision discretionary.

(d) Use of Reduced Acreage—Planting of Industrial Crops

The Senate bill provides that the producers on a farm may elect to—

(1) devote reduced acreage to an experimental or industrial nonprogram crop; or

(2) harvest a conserving crop determined and announced by the Secretary (hereinafter referred to as an approved crop) on reduced acreage. The amount of the deficiency payment that such producers are otherwise eligible to receive shall be reduced, for each acre (or portion thereof) that is planted for harvest to an approved crop, by an amount equal to the deficiency payment that would be made with respect to one acre (or portion thereof) of the crop. If the producers are participating in a program established for more than one program crop, the amount of the reduction shall be prorated among all of such program crops. (New Section 107A(e)(2))

The House amendment contains no provision.

The Conference substitute adopts the Senate provision with an amendment making it discretionary, and allowing the Secretary to adjust penalty for participating in the provision. Further, it adds the Senate provision listing crops which may be planted on Reduced Acres.

(10) Set-aside Program

The Senate bill contains no provision.

The House amendment is the same as current law. (New Section 107A(f)(3))

The Conference substitute adopts the Senate provision.

(11) Targeted Option Payments, and Acre-For-Acre Program

(a) In General

The Senate bill states that if the Secretary implements an acreage limitation program for wheat of 20 per cent or less, the Secretary shall allow producers who are not participating in the 0/92 program to increase or decrease the acreage limitation percentage applicable to the crop of wheat in return for adjustments in the level of deficiency payments. (New Section 107A(e)(2)(F))

The House amendment allows for a Target Option Program to be established if—

(i) an acreage limitation program is effective for a crop of wheat; and

(ii) producers devote a portion of the permitted wheat acreage of the farm to conservation uses (not to exceed 10 per cent of the crop acreage base of the farm). (New Section 107A(f)(2)(H))

The Conference substitute adopts the Senate provision with an amendment to make the provision subject to the Secretary's discretion. Further, the Conference substitute provides that if the program is offered, the Secretary must offer producer the option of both increasing and decreasing the ARP level for the crop.

(b) Increase in ARP

The Senate bill states that for each voluntary 1 per cent increase in the ARP above the percentage announced by the Secretary, the producer shall be eligible to receive an increase in the established price by an amount determined by the Secretary, but not less than 0.5 per cent, nor more than 1 per cent. A producer may not increase the acreage limitation percentage above the required percentage by more than 10 percentage points for the 1991 crop and 15 percentage points for each of the 1992–95 crops. A producer shall not establish an individual acreage limitation of more than 25 percent total.

The House amendment allows that producers shall be eligible for an increase of up to 1 per cent in the established price of wheat for each 1 per cent of the permitted wheat acreage of the farm devoted to conservation uses.

The Conference substitute adopts the Senate provision.

(c) Decrease in ARP

The Senate bill states that for each 1 per cent decrease in the ARP (but not below 1/2 of the announced acreage limitation percentage), the established price will be decreased by an amount to be determined by the Secretary, but not less than 0.5 per cent, nor more than 1 per cent.

The House amendment contains an Acre-For-Acre Program which allows the Secretary to permit producers on a farm to plant wheat on a portion of the acreage otherwise required to be devoted to conservation uses under acreage reduction programs if the producers agree to a corresponding reduction, on an acre-for-acre basis, in the farm program acreage used to compute deficiency payments. The Secretary shall implement the program in such a manner that no greater outlays by the CCC result. The crop acreage base and the farm program payment yield for the farm may not be increased or reduced due to the fact that such portion of the CUA for the farm was planted to wheat as authorized in this program. (New Section 107A(g)(2))

The Conference substitute adopts the Senate provision.

(d) Participation and Effects

The Senate bill states that the Secretary shall, to the extent practicable, ensure that the TOP does not have a significant effect on program participation or total production, and shall be offered in such a manner as to not result in additional budget outlays.

The House amendment allows that such increase in the established price shall not result in a producer receiving more in payments than the maximum amount such producers would be eligible to receive under sec. 107A(c)(1)(B). The crop acreage base and program payment yield for the farm may not be reduced because such permitted acreage of the farm was devoted to conserving uses.

The Conference substitute adopts the Senate provision.

(12) Management of Conservation Use Acreage

(a) Annual/Perennial Cover

The Senate bill states that if they are participating in the ARP, producers must plant to an annual or perennial cover 50 per cent of the reduced acreage, but not to exceed 5 per cent of the crop acreage base. The CCC shall pay 25 per cent of the cost of establishing perennial cover (on not more than 50 per cent of the reduced acreage or 5 per cent of the acreage base) if the producer establishes a perennial cover on the reduced acreage. If a producer establishes a perennial cover on the reduced acreage and receives cost-share assistance from the CCC, the perennial cover shall be maintained for at least 3 years. (New Section 107A(e)(4)(B))

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment providing that the perennial cost-share shall be limited to cover crops capable of improving water quality or wildlife habitat and requiring consultation with State Technical Committees. Also, if the ARP percentage is reduced to a level less that the portion of the producer's crop acreage base planted to the perennial cover crop, and if the perennial cover crop received cost-share, the Secretary shall make deficiency payments on perennial crop acres.

(b) Conserving Crops

The Senate bill is similar to current law, but adds mung beans and milkweed to the list of commodities. (New Section 107A(e)(4)(B))

The House bill is the same as current law. (New Section 107A(f)(4)(B))

The Conference substitute adopts the Senate provision adding mung beans and milkweed to list of conserving crops.

(c) Haying and Grazing

The Senate bill is similar to current law, except the determination regarding economic effects is deleted. (New Section 107A(e)(4)(C))

The House amendment is similar to the Senate provision, except special provisions are included for irrigated or irrigable acreage not planted in alfalfa under natural disaster conditions. (New Section 107A(f)(4)(C))

The Conference substitute adopts the House provision.

(d) Water Storage Uses

The Senate bill states that land converted to water storage uses shall be considered to be devoted to conservation uses if the land was devoted to wheat, feed grains, cotton, rice, or oilseeds in at least 3 of the last 5 years. The land shall be considered to be devoted to conservation uses while it remains in water storage uses, but not to exceed 5 years after its conversion. (New Section 107A(e)(4)(E))

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment providing that the area devoted to water storage uses may not be devoted to any commercial use, including commercial fish production, that the water stored on the land may not be ground water, and that the farm on which the land is located on must have been irrigated with ground water during at least 1 in the preceding 5 crop years.

(13) Participation Agreements

(a) Termination and Modification

Under the Senate bill, the modification provision authority is similar to current law; however, the definition of a "shortage of commodities" is clarified to mean that there has been a significant change in the estimated stocks of wheat since the Secretary announced the final terms and conditions of the program for the crop. (New 107A(e)(7)(B))

The House amendment is the same as current law. (New Section 107A(f)(7)(B))

The Conference substitute adopts the Senate provision.

(14) Bushel Production Targets

The House amendment is the same as current law. (New Section 107A(f)(8))

The Senate bill contains no comparable provision.

The Conference substitute adopts the Senate provision.

(15) Special Oats Plantings

The House amendment provides in any crop year that the Secretary determines that projected domestic production of oats will not fulfill the projected domestic demand, the Secretary—

(i) shall provide that any reduced and set-aside acreage may be planted to oats for harvest;

(ii) may make program benefits (including, but not limited to, loans, purchases and payments) available under the annual program to producers with respect to acreage planted to oats under this paragraph; and

(iii) shall not make other program benefits available to producers with respect to acreage planted to oats under this paragraph.

If the Secretary estimates that oats planted to such acreage will result in projected domestic production of oats exceeding the projected domestic demand of oats, the Secretary shall limit the amount of such acreage that producers may plant to oats for harvest to an amount that will result in projected domestic production fulfilling projected domestic demand. Such limitation may be achieved by applying a uniform percentage reduction to such acreage for each farm. (New Section 107A(f)(9))

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with amendment making the program discretionary.

(16) Pilot Voluntary Production Limitation Program

The Senate bill provides that the Secretary is required to carry out, for the 1991 or 1992 crop of wheat, and the 1993 through 1995 crops if the Secretary so determines, a pilot program in at least 15 counties in at least 4 States (60 total) where producers express an interest in participating. Under this program, producers shall be considered to have met the requirements of an acreage limitation or land diversion program if producers limit their marketings of wheat to the wheat production limitation quantity for the farm for the marketing year.

The production limitation quantity for a marketing year for a farm shall equal the product obtained by multiplying—

(1) the acreage permitted to be planted to wheat under the ARP or land diversion program in effect for the crop for the farm; by

(2) the higher of—

(i) the farm program payment yield for the farm; or

(ii) the 5 year olympic average yield per harvested acre for the farm, excluding any crop year in which the commodity was not planted on the farm.

In order to participate in this pilot program, producers shall—

(1) enter into an agreement with the Secretary providing that the producers shall comply with the program;

(2) not plant program commodities for harvest in a quantity in excess of the normal crop acreage; and

(3) be considered to have complied with the terms and conditions of the wheat ARP or land diversion program for the crop, even though the acreage planted to wheat on the farm exceeds the permitted acreage provided under the acreage reduction or land diversion program.

Any quantity of wheat produced in excess of the production limitation quantity may be stored by the producer for a period of not to exceed 5 marketing years. The restricted uses of such excess wheat are specifically described.

In carrying out the pilot program, the Secretary—

(1) shall issue necessary regulations;

(2) may require increased acreage reduction or land diversion requirements with respect to producers who have had excess wheat production in order to allow the producers to market, barter, or use the production in subsequent years;

(3) shall take appropriate measures to prevent the circumvention of this program, including the imposition of penalties;

(4) may require producers who participate in the program, but who fail to comply with the terms and conditions, to refund all or a part of any deficiency payments received with respect to the crop;

(5) may require the forfeiture to the CCC of any wheat produced in excess of the production limitation quantity that is not marketed, bartered, or used within 5 marketing years; and

(6) shall ensure equitable treatment for producers who participate in the pilot program if the Secretary allows increases (based on actual production levels) in program payment yields.

The Comptroller General of the U.S. shall prepare a report evaluating the pilot program and make recommendations concerning whether the program should be offered to all producers for the 1993 through 1995 crops of wheat in the United States. The report shall be submitted to the Agriculture Committees and the Secretary. (New Section 107A(g))

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment starting the program with the 1992 crop in fifteen counties in each of two states. The managers believe that the program should be offered in a state that traditionally produces significant quantities of spring and winter wheat, and in a predominantly corn and soybean producing state.

(17) Defaults and Waivers

The Senate bill is the same as current law. (New Section 107A(h))

The House amendment is similar to current law, however includes a provision allowing the Secretary to consider whether the producer made a good faith effort to comply with the terms and conditions of the program. The waiver of deadlines is similar to current law. (New Section 107A(h))

The Conference substitute adopts the House provision with an amendment.

(18) Cross Compliance

The Senate bill states that compliance on a farm with respect to the terms and conditions for any other commodity, or compliance with crop acreage base requirements for any other commodity, may not be required as a condition for eligibility in the wheat program. Compliance with terms and conditions of the wheat program on another farm operated by a producer may not be required as a condition for eligibility in the wheat program. (New Section 107A(n))

The House amendment is similar to Senate provisions, with a new provision on base increases. If a producer on a farm is participating in the wheat program, the crop acreage base for any other commodity for the farm may not be increased if such commodity is produced on the farm in a manner that is not in compliance with—

(i) the terms and conditions of the applicable commodity program for such commodity; or

(ii) the crop acreage base requirements of the applicable commodity program for such commodity.

The compliance on other farms is similar to Senate provision. (New Section 107A(n))

The Conference substitute adopts the Senate provision.

(19) Public Comment on Wheat Program

The Senate bill requires the Secretary to provide a reasonable period for public comment on program provisions for the annual program determinations for the wheat program. The Secretary is required to provide information on a range of issues when seeking public comment including estimates of planted acres, projected price and government costs among other items.

The House amendment contained no comparable provision.

The Conference substitute adopts the Senate provision, waiving the requirement for the 1991 crop.

(20) Miscellaneous Provisions

The Senate bill is the same as current law. (New Section 107A(i)–(m))

The House amendment is the same as current law. (New Section 107A(i)–(m))

The Conference substitute adopts the Senate provisions.

TITLE IV—FEED GRAINS

(1) Price Supports

(a) Basic Levels or Plan (A)

The Senate bill states that under Plan (A), the basic loan and purchase level for corn is established in the same manner as the basic loan rate in current law. However, in no case shall the loan rate be less than $1.96 per bushel. (New section 105A(a)(5).)

The House amendment, provides that the loan level shall be not less than 85 percent of the preceding five year olympic average price received by producers of corn, except that the loan level may not be reduced by more than 5 percent from the level determined for the preceding crop. (New section 105A(a)(6)).

The Conference substitute adopts the House provision.

(b) Adjustments to Basic Loan Rate

The Senate bill states, under Plan (B), that the loan rate is established as in Plan (A), however the level may be adjusted in a manner similar to that provided for in current law. If the Secretary elects to reduce the loan level for corn under (B), the Secretary shall, within 30 days of the election, submit to the House and Senate Agriculture Committees—

(1) outlining the budget implications of the election;

(2) describing the anticipated effect on farm income of the election;

(3) describing why an adjustment is necessary to prevent the build-up of stocks and to maintain price competitiveness; and

(4) describing the anticipated effect on the orderly marketing of the crop of corn on the election. (New section 105A(a)(2)(b)).

The House amendment authorizes the Secretary to reduce the loan level for corn for the marketing year, if the Secretary estimates for any marketing year that the ratio of ending stocks of corn to total use for the marketing year will be—

(1) equal to or greater than 25 percent, the loan rate may be reduced by up to 10 percent; and

(2) less than 25 percent but not less than 12.5 percent, the loan rate may be reduced by up to 5 percent in any year.

The Secretary is prohibited from reducing the loan level if the Secretary estimates that the ratio of ending stocks of corn to total use for the marketing year will be less than 12.5 percent. In addition, if the Secretary makes these adjustments to the loan level,

(1) the Secretary must submit to the House and Senate Agriculture Committees a report certifying that the adjustment is necessary to prevent stock build-up and to retain market share. The report will also contain a description of the need for the adjustment; and

(2) the adjustment will become effective no earlier than 60 calendar days after submission of the report. If the Secretary determines, not later than 60 days prior to the beginning of a marketing year for a crop, that the loan rate will not maintain a competitive market position for corn, the Secretary may

reduce the loan level by an additional amount not to exceed 10 percent in any year. Any reduction in the loan and purchase level for corn will not be considered in determining the loan and purchase level for corn for subsequent years. The minimum loan rate for corn shall not be less than $1.76 per bushel unless such rate exceeds 80 percent of the five-year average market price determination. (New section 105 A(a)(3)).

The Conference substitute adopts the House provision.

(c) Advance Compensation

The Senate bill states, that if the loan level is reduced from the basic loan level under Plan (B), the Secretary shall make advance compensation available to producers. The advance compensation shall not be less than an amount determined by multiplying—

(1) the estimated individual farm program acreage for the crop; by

(2) the farm program payment yield; by

(3) an amount determined by multiplying 0.75 by the amount of the reduction in the loan level under option (B).

The advance compensation is to be provided to producers between October 1 and October 31 of the year in which the crop is harvested. The advance compensation must be repaid not later than 270 days after the beginning of the marketing year for the crop.

The House amendment contains no such provision.

The Conference substitute adopts the House provision.

(2) Loan Repayment

(a) In General

The Senate bill states that the Secretary shall permit a producer to repay a feed grains price support loan for a crop at the lesser of—

(1) the loan level determined for the crop; or

(2) the prevailing world market price for the crop. (New Section 105A(a)(3))

The House amendment states that the Secretary may allow a producer to repay a loan at a level that is the lesser of—

(1) the loan level determined for the crop; or

(2) the higher of 70 percent of the loan level for the crop, or 70 percent of the loan level that would have been in effect but for the reduction provided for above (if the loan level for the crop was reduced), or the prevailing world market price for feed grains, as determined by the Secretary. (New Section 105A(a)(4))

The Conference substitute adopts the House provision.

(b) Prevailing World Market Price

The Senate bill is as in current law, except the Secretary must a formula to define the prevailing world market price for feed grains (adjusted to U.S. quality and location), and provide a mechanism to periodically announce the prevailing world market price for feed grains. (New Section 105A(a)(3)(B))

The House amendment is similar to current law. (New Section 105A(a)(3)(B))

The Conference substitute adopts the House provision.

(c) Alternative Repayment Rates

The Senate bill states that if the world market price for feed grains is less than the loan level, the Secretary may permit a producer to repay a price support loan at a level which is less than the loan level for the crop. The alternative repayment rate should be set at a level (not in excess of the loan level determined for the crop) the Secretary determines will—

(1) minimize potential loan forfeitures;

(2) minimize the accumulation of feed grains stocks by the Federal Government;

(3) minimize the cost incurred by the Federal Government in storing feed grains; and

(4) allow feed grains produced in the U.S. to be marketed freely and competitively, both domestically and internationally. (New Section 105A(a)(3)(C))

The House amendment contains no such provision.

The Conference substitute adopts the Senate provision.

(3) Barley Feed Value Determination

The Senate bill states that, prior to announcing the 1991 crop of barley, the Secretary shall conduct a study to determine the feed values of barley and corn taking into account the relative feed values of corn and barley measured on a dry-matter basis. (New Section 105A(a)(6))

The House amendment contains no such provision.

The Conference substitute adopts the House provision. The managers feel that the Secretary in setting the established price for barley should take into consideration the feed value of barley compared to corn on a dry-matter basis, as well as the current methodology that compares the feed value of barley to corn without adjusting for the moisture content of the respective grains.

(4) Loan Deficiency Payments

The Senate bill is similar to current law except that a producer may obtain such a payment on any upland cotton that the producer is eligible to place under loan but instead forgoes obtaining such loan and requests a payment. (New Section 105A(b))

The House bill is the same as current law. (New Section 105A(b))

The Conference substitute adopts the Senate provision.

(5) Deficiency Payments

(a) Payment Rate

The Senate bill is similar to current law. (New Section 105A(c)(1)(B))

The House amendment is similar to current law, except the national average price for the first 6 months of the marketing year are used. (New Section 105A(c)(1)(C))

The Conference substitute adopts the Senate provision with amendments. For the 1991 through 1993 crop years, deficiency payments are to be based on the five month average market price. (Upon enactment of a FY1991 Reconciliation Bill for the 1994 and 1995 crops deficiency payment will be computed based on the season average price.) Provisions are made in the section 1121 of the act with respect to the timing of deficiency payments. Payments are to be made as follows: forty to fifty per cent of estimated deficiency payments at time of sign-up, seventy-five per cent of the remaining estimated deficiency payment after the end of the first five months and the remainder to be paid at the end of the marketing year. The *Conference* also adjusts the method of calculation of deficiency payments to allow for the 'triple-base' provision. (Upon the enactment of the FY1991 Reconciliation Bill payment acres for purposes of computing deficiency payments shall be reduced by 15 percent after reducing the crop acreage base for reduced acres and for any planting of a crop other than wheat on the crop acreage base under the flexibility provisions of section 1101 of the Act.)

(b) Special Computation for Barley

The Senate bill states, that in determining the payment rate for barley, the Secretary shall include feed and malting barley prices, except that the Secretary shall exclude the portion of average malting barley prices that exceed feed barley prices by more than $0.22 per bushel. (New Section 105A(c)(1)(C)(iv))

The House amendment states that the Secretary shall use the national weighted average market price received by producers of barley sold primarily for feed purposes. For the 1991 crop, the Secretary shall use an all barley price for purposes of computing advance deficiency payments, however the Secretary shall ensure that notwithstanding the method used to compute the advance deficiency payment that the total payment made to barley producers for the 1991 crop is computed based on the price of barley normally used for feed purposes. (New Section 105A(c)(1)(J))

The Conference substitute adopts the House provision. The Act also provides for an assessment of malting barley producers who participate in the program as a method of providing a partial offset to the cost of this provision. Section 401 of the act provides for an assessment on malting barley producers.

(c) Established Price

The Senate bill states that the established price for corn shall be not less than $2.75 per bushel for each of the 1991-95 crops. The established price for oats shall not be less than $1.55 per bushel for the 1991 crop, $1.65 per bushel for the 1992 crop, $1.75 per bushel for the 1993 crop, and $1.85 per bushel for each of the 1994 and 1995 crops. The established price for each of the 1991-95 crops of grain sorghum and barley shall be not less than $2.61 per bushel for grain sorghum and not less than $2.36 per bushel for barley. (New Section 105A(c)(1)(C))

The House amendment provides that the established price for corn shall be not less than $2.75 per bushel. Sorghum shall be set at such price as the Secretary determines is fair and reasonable in relation to the established price for corn; oats shall be such price as the Secretary determines is fair and reasonable in relation to the established price for corn, but shall not be less than $1.45 per bushel; and barley shall be such price as the Secretary determines is fair and reasonable in relation to the established price for corn, taking into consideration the various feed and food uses for barley, however, the ratio of the established price for barley will not be less than 85.8 percent of the established price for corn. (New Section 105A(c)(1)(E) & (F))

The Conference substitute adopts the House provision.

(d) Adjustment in Established Price for Acreage Reduction Programs

The Senate bill contains no comparable provision.

The House amendment provides that, if the Secretary announces an acreage limitation or a set-aside program in excess of 17.5 percent, then the established price shall be increased by an amount not less than 2.55 percent of the established price for each 2.5 percent increase of the percentage reduction or set aside in excess of 17.5 percent. (New Section 105A(c)(1)(E)(ii))

The Conference substitute adopts the Senate provision.

(6) Emergency Compensation

The Senate bill is similar to current law, except when computing payments, the Secretary shall utilize the national average price for the first 5 months of the marketing year. (New Section 105A(c)(1)(D))

The House amendment is similar to current law, except that in the case of barley, the national weighted average price of barley sold primarily for feed purposes shall be used. (New Section 105A(c)(1)(D))

The Conference substitute adopts the House provision.

(7) 0/92 Program

(a) Use of Conserving Use Acreage

The Senate bill is similar to current law for industrial and other crops, except that it includes mung beans and milkweed as crops that may be allowed by the Secretary. The Secretary shall permit, subject to terms the Secretary may prescribe, that conserving use acres may be devoted to sunflowers, rapeseed, canola, safflower, flaxseed and other minor oilseeds designated by the Secretary (excluding soybeans). Producers who participate in this program shall agree to forgo eligibility to receive a loan for such oilseed produced on the farm. (New Section 105A(c)(1)(F))

The House amendment is similar to current law, except that the Secretary is not allowed to permit the planting of safflower, sunflower or flax on conserving use acreage. (New Section 105A(c)(1)(H))

The Conference substitute adopts the Senate provision, making the provision allowing for the planting of minor oilseeds on conserving use acres mandatory. Acreage planted to minor oilseeds would be eligible for either deficiency payments, or for the loan provisions included in the act for minor oilseeds, but not both, at the producer's option if the Secretary offers the program. The provisions in current law providing Secretarial discretion for the planting of experimental, industrial and other crops are retained.

(8) Disaster Payments

The Senate bill is similar to current law. (New Section 105A(c)(2))

The House amendment is similar to current law, including such condition resulting from the adjudication of Indian water settlement. (New Section 105A(c)(2))

The Conference substitute adopts the Senate provision.

(9) Acreage Reduction Program

(a) In General

The Senate bill is similar to current law, except corn, sorghum, barley and oats are individually mentioned. This allows the Secretary to establish acreage limitation programs separately for each of the feed grains.

In determining the level of acreage limitation appropriate for a crop year, the Secretary shall consider the number of acres placed in the agricultural resource conservation program. (New Section 105A(e)(1))

The House amendment is similar to current law. (New Section 105A(f)(1)(A))

The Conference substitute adopts the Senate provision.

(b) Stock Triggers for Acreage Limitation Program

The Senate bill states that if the Secretary estimates that the ratio of corn ending stocks to total disappearance of corn for the preceding marketing year will be—

(1) more than 25 percent, the Secretary shall provide for an acreage reduction program (ARP) of not less than 12.5 percent nor more than 20 percent; or

(2) 25 percent or less, the Secretary may provide for an ARP of not more than 12.5 percent. The Secretary is authorized to offer a 0% ARP.

The term total disappearance means all corn utilization, including total domestic, total export, and total residual disappearance. (New Section 105A(e)(1)(F))

The House amendment allows that, for each of the 1991 through 1995 crops of feed grains, if the Secretary estimates for a marketing year for the crop that the ratio of ending stocks of corn to total use of corn for the preceding marketing year will be—

(i) more than 25 percent, the Secretary must provide for an acreage limitation program under which the acreage planted to feed grains for harvest on a farm would be limited to the feed grain crop acreage base for the farm for the crop reduced by not less than 12.5 percent nor more than 20 percent; or

(ii)(I) except as otherwise provided, 25 percent or less, the Secretary may provide for an acreage limitation program under which the acreage planted to feed grains for harvest on a farm would be limited to the feed grain crop acreage base for the farm for the crop reduced by not more than 12.5 percent; or

(II) not less than 21.6 percent nor more than 22.8 percent, the Secretary must provide for an acreage limitation program under which the acreage planted to feed grains for harvest on a farm would be limited to the feed grain crop acreage base for the farm for the crop reduced by not less than 11.6 percent. (New Section 105A(f)(1)(B))

The Secretary shall allow producers of malting barley not to comply with any acreage limitation as a condition of eligibility for feed grain loans, purchases, and payments if the producer—

(1) has previously produced a malting variety of barley for harvest,

(2) plants barley only of an acceptable malting variety for harvest, and

(3) meets any other conditions that the Secretary prescribes. (New Section 105A(f)(1)(C))

For the 1991 through 1995 crops of oats—

(1) The Secretary is prohibited from establishing a percentage reduction in excess of 5 percent, unless the Secretary determines that the supply of oats will be excessive without a greater percentage reduction than 5 percent; and

(2) authorizes the Secretary to establish a percentage reduction for oats of less than 5 percent. However, if the Secretary does not establish a percentage reduction requirement for oats, the Secretary must ensure that the crop acreage bases established for the farm and the farm acreage base are not increased. (New Section 105A(f)(1)(H))

The Conference substitute adopts the Senate provision with an amendment. For 1992-96 crops, if the stocks-to-use ratio is—

(1) more than 25 per cent, the Secretary shall provide for an acreage reduction program (ARP) of not less than 10 percent nor more than 20 percent; or

(2) 25 percent or less, the Secretary may provide for an ARP of not more than 12.5 percent. The Secretary is authorized to offer a 0% ARP.

There is a special case for malting barley. The Conference substitute adopts the House provision with an amendment, making the provision discretionary.

The Conference substitute adopts the House provision with regard to oats with an amendment to mandate a zero per cent ARP for oats.

(c) Reduced Acreage

The Senate bill modifies the definition established in current law. The term 'reduced acres' is defined as the number of acres determined by multiplying the respective feed grain crop acreage base by the percentage reduction required by the Secretary. The remaining acreage is referred to as 'permitted acreage'. (New Section 105A(e)(2)(D))

The House amendment is the same as current law. (New Section 105A(f)(2)(E))

The Conference substitute adopts the Senate provision.

(d) Planting Oilseeds on Reduced Acreage

The Senate bill states that producers may plant an oilseed, or other such crop considered appropriate by the Secretary, on no more than one-half of the reduced acreage on the farm. The amount of deficiency payments that such producers are otherwise eligible to receive shall be reduced. for each acre (or portion thereof) that is planted to the oilseeds or other crops, by an amount equal to the deficiency payment that would be made with respect to a number of acres of the crop that the Secretary considers appropriate. If the producers are participating in a program established for more than one program crop, the amount of the reduction shall be prorated to all of such program crops. Reductions in acreage used to compute deficiency payments under this provision must be sufficient to ensure that this provision will result in no additional cost to the CCC. (New Section 105A(e)(2)(F))

The House amendment is similar to current law in that provisions are included for planting on conserving use acreage, but not for reduced acreage specifically.

The Conference substitute adopts the Senate provision with an amendment making the provision discretionary.

(e) Planting Industrial Crops on Reduced Acreage

The Senate bill states that producers may also elect to—

(1) devote reduced acreage to an experimental or industrial nonprogram crop; or

(2) harvest a conserving crop on reduced acreage, determined and announced by the Secretary (hereinafter referred to as an approved crop). The amount of the deficiency payment that such producers are otherwise eligible to receive shall be reduced, for each acre (or portion thereof) that is planted for harvest to an approved crop, by an amount equal to the deficiency payment that would be made with respect to one acre (or portion thereof) of the crop. If the producers are participating in a program established for more than one program crop, the amount of the reduction shall be prorated among all of such program crops. (New Section 105A(e)(2)(G))

The House amendment is similar to current law in that provisions are included for planting on conserving use acreage, but not for reduced acreage specifically.

The Conference substitute adopts the Senate provision with an amendment making it discretionary and allowing the Secretary to adjust penalty for participating in the provision. Further, it adds the Senate provision on crops which may be planted on Reduced Acres.

(f) Planting of Oats on Reduced Acreage

The House amendment provides that, in any crop year that the Secretary determines projected domestic production of oats will not fulfill projected domestic demand for oats, notwithstanding other provisions—

(1) the Secretary is required to allow any reduced acreage and set-aside acreage to be planted to oats for harvest (However, if the Secretary estimates that oats planted to this acreage will result in projected domestic production of oats exceeding the projected domestic demand of oats, the Secretary will limit, by applying a uniform percentage reduction to this acreage for each farm, the amount of this acreage to an amount that will result in projected domestic production fulfilling projected domestic demand.);

(2) authorizes the Secretary to make program benefits (including, but not limited to, loans, purchases, and payments) available under the annual program for oats under title I of the Agricultural Act of 1949 available to producers with respect to this acreage planted to oats; and

(3) prohibits the Secretary from making program benefits, other than the benefits specified above, available to producers with respect to this acreage planted to oats. (New Section 105A(f)(9)(A))

The Senate bill contains no such provision.

The Conference substitute adopts the Senate provision, but included elsewhere in the Act is a requirement that the Secretary offer a zero percent ARP.

(10) National Program Acreage

The House amendment is similar to current law. (New Section 105A(d))

The Senate bill contains no such provision.

The Conference substitute adopts the Senate provision.

(11) Management of Conserving Use Acreage

(a) Protection From Weeds and Erosion and Summer Fallow Provisions

The Senate bill is similar to current law, but with no provision for summer fallow. (New Section 105A(e)(4)(A))

The House amendment is similar to current law. (New Section 105A(f)(4)(A) & (D))

The Conference substitute adopts the House provision.

(b) Annual or Perennial Cover

The Senate bill states that a producer who participates in an ARP shall be required to plant an annual or perennial cover to at least 50 percent of the area required to be removed from production—not to exceed 5 percent of the crop acreage base. The CCC shall make available cost-share assistance for 25 percent of the approved cost of establishing the cover on not more than 50 percent of the acreage required to be diverted from production, but not more than 5 percent of the crop acreage base. A producer who elects to establish a perennial cover and receives cost-share shall agree to maintain the perennial cover for a minimum of 3 years. (New Section 105A(e)(4)(B))

The House amendment contains no such provision.

The Conference substitute adopts the Senate provision with an amendment providing that the perennial cost-share shall be limited to cover crops capable of improving water quality or wildlife habitat and requiring consultation with State Technical Committees. Also, if the ARP percentage is reduced to a level less that the portion of the producer's crop acreage base planted to the perennial cover crop, and if the perennial cover crop received cost-share, the Secretary shall make deficiency payments on perennial crop acres.

(c) Conserving Crops

The Senate bill is similar to current law except adds mung beans and milkweed. (New Section 105A(e)(4)(B)(iii))

The House amendment is similar to current law. (New Section 105A(f)(4)(B))

The Conference substitute adopts the Senate provision.

(d) Haying and Grazing

The Senate bill is similar to current law, except the determination regarding economic effects is deleted. (New Section 105A(e)(4)(c))

The House amendment is similar to the Senate provision, except special provisions are included for irrigated or irrigable acreage not planted in alfalfa under natural disaster conditions. (New Section 105A(f)(4)(C))

The Conference substitute adopts the House provision.

(e) Additional Practices

The Senate bill states that land that has been converted to water storage uses shall be considered to be devoted to conservation uses if it was devoted to wheat, feed grains, cotton, rice, or oilseeds in at least 3 of the immediately preceding 5 years. The land shall be considered to be devoted to conservation uses for the period that the land remains in water storage uses, but not to exceed 5 years subsequent to its conversion. (New 105A(g)(4)(D))

The House amendment refers to the miscellaneous title.

The Conference substitute adopts the Senate provision with an amendment providing that the area devoted to water storage uses may not be devoted to any commercial use, including commercial fish production, that the water stored on the land may not be ground water, and that the farm on which the land is located on must have been irrigated with ground water during at least 1 in the preceding 5 crop years.

(12) Target Option Program

The Senate bill states that if the Secretary implements an acreage limitation program for corn, the Secretary shall allow producers who do not participate in the 0/92 program to increase or decrease the acreage limitation percentage in return for adjustments in the established price. If a producer agrees to an increase in the acreage limitation percentage above the percentage announced by the Secretary, the producer shall be eligible to receive an increase in the established price for corn by an amount determined by the Secretary. The established price shall be increased by not less than 0.5 percent, nor more than 1 percent, for each 1 percentage point increase in the producer's acreage limitation percentage. The acreage limitation percentage shall not be increased over the announced acreage limitation level by more than 5 percentage points for the 1991 crop and 10 percentage points for each of the 1992–95 crops. In no case shall the individual's acreage limitation level be more than 20 percent. The producer shall be allowed to decrease the acreage limitation percentage announced by the Secretary, but not by more than half of the announced acreage limitation percentage. If a producer participates in this option, the producer will also agree to a decrease in the established price for corn. The Secretary shall decrease the established price by an amount to be determined by the Secretary. The decrease shall be no less than 0.5 percent, nor more than 1 percent, for each 1 percentage point decrease in the acreage limitation percentage applied to the producers' corn acreage base. The Secretary shall implement the targeted option program for other feed grains in a manner similar to the way the program is implemented for corn. The Secretary shall, to the extent practicable, ensure that the TOP does not have a significant effect on program participation or total production. Further, the Secretary shall offer the program in such a manner that the Secretary determines will result in no additional budget outlays. (New Section 105A(e)(3))

The House amendment states that if an acreage limitation program is in effect, producers shall be eligible for an increase of up to one percent in the established price for a crop of feed grains for each one percent of the permitted feed grain acreage devoted to conservation uses. The portion of feed grain acreage allowed to participate in the program shall not exceed 10 percent. The increase in established price shall not result in a producer receiving more in deficiency payments than the maximum amount such producer would have otherwise been eligible to receive. (New Section 105A(c)(1)(I)) Under the Acre-For-Acre Program, the Secretary is authorized to permit producers on a farm to plant feed grains on a portion of the acreage otherwise required to be devoted to conservation uses if the producers agree to a corresponding reduction, on an acre-for-acre basis, in the farm program acreage used to compute deficiency payments. If the Secretary exercises the authority provided in this provision then the Secretary must implement this provision in such a manner that no greater outlays from the Commodity Credit Corporation result from its implementation. In addition, the feed grain crop acreage base and the feed grain farm program payment yield for the farm may not be increased or reduced due to the fact that such portion of the conserving use acres for the farm was planted to feed grains. (New Section 105A(g)(2))

The Conference substitute adopts the Senate provision with an amendment to make the program discretionary. If the Secretary elects to offer the program to producers, the Secretary must offer provisions to both increased and decreased individual ARP options.

(13) Agreements With Producers

The Senate bill is similar to current law provisions. The modification of agreement is similar to current law, with a modification indicating that the Secretary may only seek to modify the agreement if there has been a significant change in the estimated stocks of the commodity since the announcement of the final program. (New Section 105A(e)(7))

The House amendment is similar to current law. (New Section 105A(f)(7))

The Conference substitute adopts the Senate provision.

(14) Inventory Reduction Program or Half-ARP

The Senate bill states that the requirements for participation are the same as current law. Payments under this program may be made in the form of negotiable marketing certificates. (New Section 105A(f))

The House amendment is similar to current law, but referred to as the One-Half ARP Program. The requirements for participation is similar to current law. The form of payments are similar to current law, except that payments are to be made in the form of such feed grains owned by the CCC subject to the availability of such feed grains. (New Section 105A(g)(1))

The Conference substitute adopts the Senate provision.

(15) Production Limitation

The Senate bill states that there is no such provision.

The House amendment is similar to current law. (New Section 105A(f)(8))

The Conference substitute adopts the Senate provision.

(16) Pilot Voluntary Production Limitation Program

The Senate bill states that the Secretary is required to carry out, for the 1991 or 1992 crop of feed grains, (and the 1993 through 1995 crops if the Secretary so determines), a pilot program in at least 15 counties in at least 4 States (60 total) where producers express an interest in participating. Under the limitations on marketing, producers shall be considered to have met the requirements of an acreage limitation or land diversion program if producers limit their marketings of feed grains to the feed grains production limitation quantity for the farm for the marketing year. The production limitation quantity for a marketing year for a farm shall equal the product obtained by multiplying—

(1) the acreage permitted to be planted to feed grains under the ARP or land diversion program in effect for the crop for the farm; by

(2) the higher of—

(i) the farm program payment yield for the farm; or

(ii) the 5 year olympic average yield per harvested acre for the farm, excluding any crop year in which the commodity was not planted on the farm.

In order to participate in this pilot program, producers shall—

(1) enter into an agreement with the Secretary providing that the producers shall comply with the program;

(2) not plant program commodities for harvest in a quantity in excess of the normal crop acreage; and

(3) be considered to have complied with the terms and conditions of the feed grains ARP or land diversion program for the crop, even though the acreage planted to feed grains on the farm exceeds the permitted acreage provided under the acreage reduction or land diversion program.

Any quantity of feed grains produced in excess of the production limitation quantity may be stored by the producer for a period of not to exceed 5 marketing years. The restricted uses of such excess feed grains are specifically described.

In carrying out the pilot program, the Secretary—

(1) shall issue necessary regulations;

(2) may require increased acreage reduction or land diversion requirements with respect to producers who have had excess feed grains production in order to allow the producers to market, barter, or use the production in subsequent years;

(3) shall take appropriate measures to prevent the circumvention of this program, including the imposition of penalties;

(4) may require producers who participate in the program, but who fail to comply with the terms and conditions, to refund all or a part of any deficiency payments received with respect to the crop;

(5) may require the forfeiture to the CCC of any feed grains produced in excess of the production limitation quantity that is not marketed, bartered, or used within 5 marketing years; and

(6) shall ensure equitable treatment for producers who participate in the pilot program if the Secretary allows increases (based on actual production levels) in program payment yields.

The Comptroller General of the U.S. shall prepare a report evaluating the pilot program and make recommendations concerning whether the program should be offered to all producers for the 1993 through 1995 crops of feed grains in the United States. The report shall be submitted to the Committee on Agriculture of the House of Representatives, the Committee on Agriculture, Nutrition, and Forestry of the Senate, and the Secretary. (New Section 105A(g))

The House amendment contains no such provision.

The Conference substitute adopts the Senate provision with an amendment starting the program with the 1992 crop in fifteen counties in each of two states. The managers believe that the program should be offered in a state that traditionally produces significant quantities of spring and winter wheat, and in a predominantly corn and soybean producing state.

(17) Defaults and Waivers

The Senate bill is similar to current law. (New Section 105A(h))

The House amendment is similar to current law, however it includes a provision allowing the Secretary to consider whether the producer made a good faith effort to comply with the terms and conditions of the program. The waiver of deadlines is similar to current law. (New Section 105A(h))

The Conference substitute adopts the House provision.

(18) Public Comment on Feed Grain Program

The Senate bill states that the Secretary is required to request public comment regarding the development of the annual feed grains program. Not less than 60 days before a program is announced, the Secretary shall propose for public comment various program options. Each option proposed by the Secretary shall be accompanied by an analysis that includes the estimated planted acreage, production, domestic and export use, ending stocks, season average producer price, program participation rate, and cost to the

Federal Government that would likely result from each option. (New Section 105A(o))

The House amendment contains no such provision.

The Conference substitute adopts the Senate provision with an amendment beginning the provision with the 1992 crop.

(19) Recourse Loan Program for Silage

The Senate bill states that the current recourse loan program for silage is extended for the 1991 through 1995 crops. (Section 403)

The House amendment contains no comparable provision.

The Conference agreement adopts the Senate provision.

(20) High Moisture Corn Program

The Senate bill contains no comparable provision.

The House amendment states that, effective for each of the 1991 through 1995 crops of feed grains, the Secretary shall make available recourse loans as determined by the Secretary to producers on a farm who—

(1) normally harvest all or a portion of their crop of feed grains in a high moisture state (herein defined as a feed grain having a moisture content in excess of Commodity Credit Corporation standards for loans made by the Secretary under sections 105A(a)(1) and 105A(a)(6) of the Agricultural Act of 1949);

> (2) present certified scale tickets or other similar entities approved by the Secretary, pursuant to regulations, or present field or other physical measurements of the standing or stored feed grain crop in regions of the country, as determined by the Secretary, that do not have certified commercial scales from which certified scale tickets may be obtained within reasonable proximity of harvest operation;
>
> (3) certify that they were the owners of the feed grain at the time of delivery to, and that the amount to be placed under loan was in fact harvested on the farm and delivered to, a feedlot, feed mill, or commercial or on-farm high-moisture storage facility, or to such facilities maintained by the users of such high-moisture feed grain;
>
> (4) comply with deadlines established by the Secretary for harvesting the feed grain and submit applications for loans within deadlines established by the Secretary; and
>
> (5) participate in an acreage limitation or set-aside program for such crop of feed grains established by the Secretary.

These loans shall be made on a quantity of feed grains of the same crop acquired by the producer equivalent to a quantity determined by multiplying—

> (1) the acreage of the feed grain in a high moistrue state harvested on the producer's farm; by
>
> (2) the lower of the farm program payment yield or the actual yield on a field, as determined by the Secretary, that is similar to the field from which such high moisture feed grain was obtained. (Section 1002)

The Conference substitute adopts the House provision.

(21) Special Provisions for Barley

The Senate bill states that any provision which relates specifically to payments due to barley producers for the 1988 and 1989 crops shall be non-discretionary. (Section 404)

The House amendment states that the Secretary shall, not later than 45 days after the date of enactment, calculate, for informational purposes only (except as provided in the discretionary authority), the amount of the refund of any advance deficiency payment a producer of barley who participated in the 1988 or 1989 Federal barley price support program would be required to make pursuant to section 107C of the Agricultural Act of 1949 (7 U.S.C. 1445b–2) based on a formula that includes the human food values of barley in all components of the calculations used to determine the amount of refund of advance deficiency payment required of the producer.

The Secretary is required to publish in the Federal Register—

(1) the formula used to perform the calculations;

(2) the aggregate results that the use of this calculation would have in terms of the total reduction in the amount of refunds, the number of producers affected, and any other information the Secretary determines appropriate;

(3) a declaration of whether or not the Secretary decides to use such calculation to recalculate barley producer's refunds; and

(4) a statement of the Secretary's reasons for the decision.

In addition, the Secretary must make available to each producer of 1988 or 1989 crop barley, upon request, a statement detailing the effect of the calculation of refunds upon the producer's 1988 or 1989 refund.

The Secretary is authorized to use the calculation described to determine whether or not to reduce the total refund owed by a producer of 1988 or 1989 crop barley under section 107C of the Agricultural Act of 1949.

If the Secretary decides to use the calculation and reduce the amount of the refund, then, in the case of a producer of 1988 or 1989 crop barley who paid the refund of the advance deficiency payment for such crop calculated prior to the enactment of this bill (or any amount of refund in excess of the amount of the refund determined under this provision, the Secretary—

(1) must, before May 31, 1991, reimburse the producer the amount of refund paid by the producer in excess of the refund determined in accordance with this provision;

(2) must have the option to make this reimbursement in a lump sum or in installments;

(3) must, not later than 45 days after the date of enactment of the bill, notify producers who are eligible to receive such reimbursement of their 1988 or 1989 advance deficiency payment refund under section 1004, of the timing of the payment of the reimbursement (either in lump sum or in installments), that the amount of the reimbursement will not bear interest if paid before October 15, 1990, and that the amount of such reimbursement paid after October 15, 1990 will bear interest at a rate of at least 7 percent per annum; and

(4) may elect to pay such reimbursement in a lump sum with negotiable generic certificates redeemable for commodities owned by the Commodity Credit Corporation if the reimbursement is paid in full not later than 60 days after the date of enactment of the bill. (Section 1003)

The Conference substitute adopts the House provision.

TITLE V—COTTON

(1) Price Support Loans

(a) In General

The Senate bill provides for cotton price support loans under terms and conditions similar to current law, except that "strict low middling 1$\frac{1}{16}$ inch (micronaire 3.5 through 4.9)" is changed to "the base quality of upland cotton, as determined by the Secretary". (New Section 103A(a))

The House amendment is similar to the Senate provision. (New Section 103B(a))

The Conference substitute adopts the Senate provision.

The Senate bill is similar to current law. (New Section 103A(a))

The House amendment is similar to current law and the Senate provision. (New Section 103B(a))

The Conference substitute adopts the Senate provision.

(2) Marketing Loan

(a) Loan Repayment

The Senate bill provides that in order to ensure that a competitive market position is maintained for upland cotton, producers may repay upland cotton price support loans for a crop at the lesser of—

(1) the loan level determined for the crop; or

(2) the prevailing world market price for upland cotton (adjusted to U.S. quality and location).

If the world market price for cotton is less than the loan level, the Secretary may permit a producer to repay a loan at such level (not in excess of the loan level determined for the crop) as the Secretary determines will—

(1) minimize potential loan forfeitures;

(2) minimize the accumulation of cotton stocks by the Federal Government;

(3) minimize the cost incurred by the Federal Government in storing cotton; and

(4) allow cotton produced in the U.S. to be marketed freely and competitively, both domestically and internationally. (New Section 103A(a)(5)(A))

The House amendment is the same as current law. (New Section 103B(a)(5)(A)-(C))

The Conference substitute adopts the Senate provision, with an amendment setting the minimum repayment rate at 70% of the loan level.

(b) First Handler Marketing Certificates

The Senate bill is similar to current law except that the value of each certificate shall be based on the difference between the loan repayment rate for upland cotton and the prevailing world market price. (New Section 103A(a)(5)(B))

The House amendment is similar to current law. (New Section 103B(a)(5)(D))

The Conference substitute adopts the Senate provision.

(3) Prevailing World Market Price

The Senate bill is similar to current law. (New Section 103A(a)(5)(C))

The House amendment is the same as current law and similar to the Senate provision. (New Section 103B(a)(5)(E))

The Conference substitute adopts the Senate provision.

(a) Further Adjustments in the Adjusted World Price

The Senate bill provides that the Secretary shall adjust the prevailing world market price (AWP) for upland cotton if—

(1) the AWP is less than 115% of the current crop year loan level; and

(2) the Friday through Thursday average price quotation for the lowest-priced U.S. growth as quoted for Middling 1³⁄₃₂nds inch cotton delivered C.I.F. Northern Europe is greater than the average price of the 5 lowest-priced growths of upland cotton, as quoted for Middling 1³⁄₃₂nds inch cotton, delivered C.I.F. Northern Europe (the "N. Europe" price).

AWP shall be further adjusted on the basis of the following data:

(1) The U.S. share of world exports.

(2) The current level of cotton export sales and cotton export shipments.

(3) Other data relevant in establishing an accurate prevailing world market price.

The above adjustment shall not exceed the difference between—

(1) the Friday through Thursday average price for the lowest-priced U.S. growth as quoted for Middling 1 3/32nds inch cotton C.I.F. Northern Europe; and

(2) the N. Europe price. (New Section 103A(a)(5)(D))

The House amendment is similar to the Senate provision. (New Section 103B(a)(5)(F))

The Conference substitute adopts the Senate provision.

(b) Negotiable Marketing Certificates to Maintain Competitiveness

The Senate bill provides that if, between August 1, 1991, and July 31, 1996, U.S. cotton is uncompetitive in world markets (i.e., exceeds N. Europe price by more than 1.25 cents per lb.) for a consecutive 4-week period, the Secretary shall issue negotiable marketing certificates to domestic users or exporters for documented sales made in the week following such consecutive 4-week period in order to make U.S. cotton competitive. (New Section 103A(a)(5)(E))

The House amendment is similar to the Senate provision. (New Section 103B(a)(5)(G))

The Conference substitute adopts the Senate provision.

(c) Special Limited Global Import Quota

The Senate bill provides that the President shall, within 60 days, establish an import quota program which shall provide that if U.S. cotton is uncompetitive in world markets for 10 consecutive weeks, a special limited global import quota shall be implemented. The quota shall be equal to 1 weeks consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the most recent 3 months for which data are available.

The quota shall apply to upland cotton purchased not later than 90 days after the date of the establishment of the quota and entered not later than 180 days after the date of the establishment of the quota. A special quota period may not be established if a special quota period has been established under subsection 103A(n) of the 1949 Act. (New Section 103A(a)(5)(F))

The House amendment is the same as Senate provision. (New Section 103B(a)(5)(H))

The Conference substitute adopts the Senate provision.

(4) Deficiency Payments

The Senate bill provides that the Secretary shall make deficiency payments to producers for each of the 1991-95 crops of upland cotton. The deficiency payment is determined as under current law. (New Section 103A(c)(1))

The provision concerning a ceiling on the amount of payment that may be made in cotton certificates is dropped.

The House amendment is similar to the Senate provision. (New Section 103B(C)(1))

The Conference substitute adopts the Senate provision, with an amendment adjusting the computation of deficiency payments to allow for the "triple-base" provision. (Upon enactment of the FY 1991 Reconciliation Bill, the payment acres for purposes of computing deficiency payments shall be reduced by 15 percent after reducing the crop acreage base for reduced acres and for any planting of a crop other than wheat on the crop acreage base under the flexibility provisions of section 1101 of the act.)

(5) 50/92 Provisions

(a) In General

The Senate bill is similar to current law with following exceptions:

The deficiency payment rate under this provision may not be established at less than the projected deficiency payment rate for the crop.

In addition to quarantine exception, producers may not have to comply with the 50% planting requirement if Secretary determines that producers are prevented from planting the acreage intended for upland cotton to upland cotton because of a natural disaster, or other condition beyond the control of the producer. (New Section 103A(c)(1)(D))

The House amendment is similar to the Senate provision. (New Section 103B(c)(1)(B))

The Conference substitute adopts the Senate provision with an amendment, and changes references to "permitted acreage" to "maximum payment acres."

(b) Use of Underplanted Acreage

The Senate bill is similar to current law, except listed crops includes mung beans. (New Section 103A(c)(1)(E))

The House amendment is similar to current law and the Senate provision except listed crops do not include sunflower, safflower, mustard seed and mung beans. (New Section 103B(c)(1)(F))

The Conference substitute adopts the House provision, with an amendment adding mung beans.

(6) Discretionary Disaster Payments

The Senate bill is the same as current law, except there is no specific mention of the Secretary making the payments available in cash or certificates. (New Section 103A(a)(2))

The House amendment is the same as current law, except that a condition resulting from the adjudication of Indian water settlement disputes is included in the list of covered disasters. (New Section 103B(c)(2))

The Conference substitute adopts the Senate provision.

(7) Acreage Limitation Program

(a) National Program Acreage

The Senate bill is similar to current law except there is no reference to the national program acreage. (New Section 103A(e)(1))

The House amendment is the same as the Senate provision and similar to current law. (New Section 103B(e)(1))

The Conference substitute adopts the Senate provision.

(b) Announcement of ARP

The Senate bill provides that the ARP must be announced by November 1 except that in the case of the 1991 crop, the Secretary shall announce the program as soon as practicable after the date of enactment of this section. The ARP may be revised not later than January 1 of the calendar year in which the crop is harvested if necessary. If producers in early planting areas would be disadvantaged by such revision, they may elect to participate in the ARP based on the original terms and conditions. (New Section 103A(e)(1))

The House amendment is similar to the Senate provision with the following differences:

November 1 announcement would be a preliminary announcement.

Secretary must make a final announcement by January 1.

Requirement that the announcement include, among other information determined necessary by the Secretary, an announcement of the ARP reduction percentage.

Producers in early planting areas are allowed to elect to participate in the program on the terms first or subsequently announced if the Secretary determines that such producers may be unfairly disadvantaged by such revision. (New Section 103B(e)(1)(C)(i))

The Conference substitute adopts the House provision with an amendment providing that the announcement date for the 1991 crop be made as soon as possible. The managers intend that the following Texas counties be considered early planting areas subject to the early planting exception: Cameron, Hidalgo, Starr, Willacy, Zapata, Wilson, Webb, LaSalle, Brooks, Jim Wells, Duval, Kenedy, Kleberg, Aransas, Live Oak, Refugio, Bee, Karnes, Goliad, Atascosa, Bexar, Dimmit, San Patricio, and Nueces.

(c) Carryover

The Senate bill provides that the ARP should be implemented to result in a carryover of 4 million bales of upland cotton or a ratio of carryover to total disappearance of 33%, whichever results in a higher carryover. The term "total disappearance" means all upland cotton utilization, including total domestic, total export, and total residual disappearance.

If, at the time of the final announcement of the ARP, it is determined that the carryover of upland cotton will be in excess of the desired carryover amount, the Secretary shall carry out a land diversion program in a manner that will result in the desired carryover. (New Section 103A(e)(1)(E)-(F))

The House amendment requires the Secretary to carry out an acreage limitation program described in paragraph (2) for a crop of upland cotton in a manner that will result in a ratio of carry-over to total disappearance (domestic use plus exports) of 30 percent, based on the Secretary's most recent projection of carry-over and total disappearance at the time of announcement of the acreage limitation program. (New Section 103B(e)(1)(D))

The Conference substitute adopts the House provision on the carryover level. The conferees intend, that in addition to using the maximum ARP authority, under this section, the Secretary should also use the paid land diversion authority under this Act to the maximum extent practicable to achieve the 30% stocks-to-use ratio.

(d) Percentage Reduction

The Senate bill provides that the ARP can be established from 0 to 25% of the upland cotton crop acreage base. Except as provided in the planting flexibility provisions in title V of the 1949 Act, producers who do not comply with the ARP are ineligible for program benefits. (New Section 103A(e)(2))

The House amendment is the same as current law. (New Section 103B(e)(2)(A) and (B))

The Conference substitute adopts the Senate provision.

(8) Acreage Devoted to Conservation Uses. (S 501; H 101)

(a) Reduced Acreage

The Senate bill provides for reduced acres determined by multiplying the upland cotton crop acreage base by the percentage reduction required. (New Section 103A(e)(2)(D))

The House amendment is the same as current law. (New Section 103B(e)(2)(D))

The Conference substitute adopts the Senate provision.

(b) Permitted Acreage

The Senate bill provides that "Permitted acreage" equals cotton acreage base minus the reduced acreage. (New Section 103A(e)(2)(D))

The House amendment provides no definition.

The Conference substitute adopts the Senate provision.

(9) Use of Reduced Acreage

(a) Planting of Oilseeds

The Senate bill provides that producers may plant an oilseed, or other such crop considered appropriate by the Secretary, on no more than one-half of the reduced acreage on the farm. The amount of deficiency payments that such producers are otherwise eligible to receive shall be reduced, for each acre (or portion thereof) that is planted to the oilseeds or other crops, by an amount equal to the deficiency payment that would be made with respect to a number of acres of the crop that the Secretary considers appropriate. If the producers are participating in a program established for more than one program crop, the amount of the reduction shall be prorated to all of such program crops. Reductions in acreage used to compute deficiency payments under this provision must be sufficient to ensure that this provision will result in no additional cost to the CCC. (New Section 103A(e)(2)(F))

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment making the provision discretionary.

(b) Experimental or Industrial Nonprogram Crops

The Senate bill provides that the producers on a farm may also elect to—

(1) devote reduced acreage to an experimental or industrial nonprogram crop; or

(2) harvest a conserving crop on reduced acreage, determined and announced by the Secretary (hereinafter referred to as an approved crop). The amount of the deficiency payment that such producers are otherwise eligible to receive shall be reduced, for each acre (or portion thereof) that is planted for harvest to an approved crop, by an amount equal to the deficiency payment that would be made with respect to one acre (or portion thereof) of the crop. If the producers are participating in a program established for more than one program crop, the amount of the reduction shall be prorated among all of such program crops. (New Section 103A(e)(2)(G))

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision with an amendment making the provision discretionary, and allowing the Secretary to adjust the penalty for participating in the program. The amendment further adds the Senate provision on crops which may be planted on Reduced Acres.

(10) Administration of Conservation Use Acreage

(a) General

The Senate bill provides language that is the same as current law with following additional requirement:

Producers participating in the ARP must plant to an annual or perennial cover 50% of the reduced acreage, but not to exceed 5% of the crop acreage base. The CCC shall pay 25% of the cost of establishing such cover (on not more than 50% of the reduced acreage or 5% of the acreage base) if the producer establishes a perennial cover on the reduced acreage.

If a producer establishes a perennial cover on the reduced acreage and receives cost-share assistance from CCC, the perennial cover shall be maintained for at least 3 years. (New Section 103A(e)(4))

The House amendment provides language that is the same as current law. (New Section 103B(e)(3)(A))

The Conference substitute adopts the Senate provision with an amendment providing for perennial cost-share limited to cover capable of improving water quality or wildlife habitat and requiring consultation with State Technical Committees. Also, if the ARP percentage is reduced below the perennial cover percentage which received cost-share, the Secretary shall make deficiency payments on perennial crop acres.

(b) Conserving Crops

The Senate bill provides language that is the same as current law except mung beans and milkweed are included. (New Section 103A(e)(4)(B)(iii))

The House amendment provides language that is the same as current law. (New Section 103B(e)(3)(B))

The Conference substitute adopts the Senate provision.

(c) Haying and Grazing

The Senate bill provides language that is the same as current law, except that limitation on haying and grazing if there would be an adverse economic effect is eliminated. (New Section 103A(e)(4)(C))

The House amendment is the same as Senate provision except as follows:

Prohibits the Secretary from excluding irrigated or irrigable acreage not planted in alfalfa from this provision. (New Section 103B(e)(3)(C))

The Conference substitute adopts the House provision.

(d) Water Storage Uses

The Senate bill provides that land that has been converted to water storage uses shall be considered to be devoted to conservation uses if it was devoted to wheat, feed grains, cotton, rice, or oilseeds in at least 3 of the immediately preceding 5 years. The land shall be considered to be devoted to conservation uses for the period that the land remains in water storage uses, but not to exceed 5 years subsequent to its conversion. (New Section 103A(e)(4)(D))

The House amendment contains a similar provision in the General Commodities title.

The Conference substitute adopts the Senate provision with amendments providing that the area devoted to water storage uses may not be devoted to any commercial use, including commercial fish production, that the water stored on the land may not be ground water, and that the farm on which the land is located on must have been irrigated with ground water during at least 1 in the preceding 5 crop years.

(11) Targeted Option Program

The Senate bill provides that if the Secretary implements an ARP for upland cotton, producers on a farm who do not participate in the 50/92 program may choose to increase or decrease the ARP percentage applicable to the crop in return for adjustments in the level of deficiency payments.

For each 1% increase in the ARP (but not above 10 percentage points or above 25% total), the established price shall be increased as determined by the Secretary, but not less than 0.5%, nor more than 1%. In determining any increase in the ARP, Secretary shall exclude an amount that reflects the producers' average underplantings for the 2 prior years.

For each 1% decrease in the ARP (but not below ½ of announced ARP percentage), the Secretary shall decrease the established price as determined by the Secretary, but not less than 0.5%, nor more than 1%, for each 1 percentage point decrease in the acreage limitation percentage applied to the producers' upland cotton acreage base.

The Secretary shall, to the extent practicable, ensure that the TOP does not have a significant effect on program participation or total production and shall be offered in such a manner as to not result in additional budget outlays. (New Section 103A(e)(3))

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to make it discretionary, but if implemented, the Secretary must provide for both increased and decreased individual ARP options.

(12) Land Diversion Program

The Senate bill provides language similar to current law, except that Land diversion program must be implemented if carryover level of upland cotton will be in excess of desired carryover level. See item C14d above. (New Section 103A(e)(5))

The House amendment is similar to current law except as follows: Requires Secretary to offer a paid land diversion program to producers of upland cotton if, at the time of final announcement of the ARP, the projected carry-over of upland cotton for the crop year is equal to or greater than 8 million bales. Land diversion payments will be determined by multiplying—

(1) the payment rate (not less than 35 cents per pound); by

(2) the program payment yield; by

(3) the number of permitted upland cotton acres diverted on the farm.

Authorizes the Secretary to allow producers to participate in a land diversion program under paragraph (4) at a level lower than the maximum level announced by the Secretary if the Secretary determines that it will increase participation in such program. (New Section 103B(e)(4))

The Conference substitute adopts the House provision on the land diversion program.

The Managers intend that the land diversion program be implemented only after the maximum ARP has been established, but that the program should be used to the maximum extent practicable to achieve the 30% stock-to-use ratio target.

(13) Participation Agreements

The Senate bill provides language that is similar to current law except that an agreement may be modified for the purpose of alleviating a shortage of commodities only if there has been a significant change in the estimated stocks of the commodity subsequent to the final announcement of the terms and conditions of the upland cotton program. (New Section 103A(e)(7))

The House amendment is the same as current law. (New Section 103B(e)(6))

The Conference substitute adopts the Senate provision.

(14) Inventory Reduction Program

The Senate bill provides language that is similar to current law, except as follows:

Program is mandatory; and

Payments under this program may be made in the form of negotiable marketing certificates. (New Section 103A(f))

The House amendment is similar to current law except as follows: Provides that payments authorized under subsection (f)(1) may be made

(A) in the form of upland cotton owned by the Commodity Credit Corporation; or

(B) in such other form as the Secretary is authorized by law to make.

Requires that the quantity of upland cotton to be made available to a producer must be equal in value to the payments. (New Section 103B(f))

The Conference substitute adopts the House provision.

(15) Failure to Fully Comply

The Senate bill is the same as current law. (New Section 103A(g))

The House amendment is the same as current law and Senate provision except that the Secretary may consider whether the producer made a good faith effort to comply fully with the terms and conditions of such program in determining whether equitable relief is warranted under this paragraph. (New Section 103B(g))

The Conference substitute adopts the House amendment.

(16) Cross-Compliance

The Senate bill states that compliance on a farm with respect to the terms and conditions for any other commodity, or compliance with crop acreage base requirements for any other commodity, may not be required as a condition for eligibility in the cotton program. Compliance with terms and conditions of the cotton program on another farm operated by a producer may not be required as a condition for eligibility in the cotton program. (New Section 107A(n))

The House amendment is similar to Senate provisions, with a new provision on base increases. If a producer on a farm is participating in the cotton program, the crop acreage base for any other commodity for the farm may not be increased if such commodity is produced on the farm in a manner that is not in compliance with—

(i) the terms and conditions of the applicable commodity program for such commodity; or

(ii) the crop acreage base requirements of the applicable commodity program for such commodity. The compliance on other farms is similar to Senate provision. (New Section 107A(n))

The Conference substitute adopts the Senate provision.

(17) Miscellaneous Cotton Provisions

The Senate bill provides that sections 103 and 203 of the Agricultural Act of 1949 shall not be applicable to the 1991-95 crops. (Section 503)

The House amendment provides that price support provisions of section 103(a) of the Agricultural Act of 1949 are made inapplicable to the 1991 through 1995 crops. (Section 104)

The Conference substitute adopts the House provision.

(18) Skiprow Practices

The Senate bill amends section 374(a) of the Agricultural Adjustment Act of 1938 to provide that, for the 1991-95 crops, the Secretary shall take other skiprow practices into account for the purpose of classifying the acreage planted to cotton and the acreage skipped. (Section 504)

The House amendment extends the provisions of section 374(a) of the Agricultural Adjustment Act of 1938 for skiprow practices through the 1995 crop of cotton, and requires that for the 1991 through 1995 crops, the rules allow 30 inch rows to be taken into account for classifying the acreage planted to cotton and the area skipped. (Section 105)

The Conference substitute adopts the House provision.

(19) Extension of Extra-Long Staple Cotton Program

The Senate bill amends section 103(h) of the 1949 Act to extend the extra long staple cotton program through the 1995 crop, under the same terms and conditions as existed for the 1990 crop. The provisions on cross-compliance and offsetting compliance are made consistent with similar provisions in the wheat, feed grains, upland cotton, and rice programs. (Section 506)

The House amendment amends section 103(h) of the 1949 Act to prohibit the Secretary from using cross-compliance or offsetting compliance as a condition of eligibility for the program, to authorize the Secretary to apply a zero percentage reduction to each farm's acreage base, and to extend the provisions of section 103(h) through the 1995 crop year. (Section 107)

The Conference substitute adopts the House provision.

(20) Adverse Effect on Cottonseed or Cottonseed Oil

The Senate bill provides that if the Secretary determines that the price support program for oilseeds carried out under section 205 of the Agricultural Act of 1949 (as added by section 801 of this Act) causes, or is likely to cause, a reduction in prices received by producers of cottonseed or by processors of cottonseed oil, the Secretary shall take such actions as is determined necessary to offset the actual or anticipated impact of the oilseed program on prices of cottonseed or cottonseed oil. (Section 507)

The House amendment is similar to the Senate provision, except that the section requires that any such actions include only actions to stabilize or increase the price of cottonseed, and may not include actions to decrease the prices of other oilseeds. (Section 109)

The Conference substitute adopts the House provision.

(21) Evidence of Title

The Senate bill provides for purposes of perfecting a security interest under any State law, the evidence of title approved by the Secretary shall be considered to be a warehouse receipt. (New Section 103A(a)(1))

The House amendment is the same as the Senate provision. (New Section 103B(a)(1))

The Conference substitute adopts the House provision with an amendment. The amendment provides that electronic or central filing systems can be used as a method of proving ownership of cotton. This program is to be utilized on a voluntary basis and funded through a fee system that the Secretary may prescribe.

TITLE VI—RICE

(1) Marketing Loan

(a) Negotiable Marketing Certificates

The Senate bill is the same as current law, except that certificates are made redeemable for commodities owned by the CCC, instead of just rice. (New Section 101A(a)(5)(C))

The House amendment is the same as the Senate provision, except the House makes the certificates redeemable for commodities and products. (New Section 101B(a)(5)(C))

The Conference substitute adopts the Senate provision.

(b) Other Terms of Certificates

The Senate bill is similar to current law with the following differences:

CCC sales price restrictions shall not apply to the redemption of such certificates;

Secretary is required to prevent the marketing or exchange of commodities and products for such certificates from adversely affecting the income of producers; and

Under regulations issued by the Secretary, certificates may be transferred to other persons. (New Section 101A(a)(5)(C)(vi)-(viii))

The House amendment is the same as current law. (New Section 101B(a)(5)(C))

The Conference substitute adopts the Senate provision.

(2) Certificates to Maintain Competitiveness

(a) When Issued

The Senate bill is similar to current law, except the provision is made a part of the rice program contained in the 1949 Act. (New Section 101A(a)(5)(D))

The House amendment is the same as current law. (Section 302 of the 1990 Act)

The Conference substitute adopts the Senate provision.

(b) Terms of Certificates

The Senate bill is the same terms as discussed in "other terms of certificates". (New Section 101A(a)(5)(D))

The House amendment is the same as current law. (Sec. 302 of the 1990 Act)

The Conference substitute adopts the Senate provision.

(3) 50/92 Program

(a) In General

The Senate bill is similar to current law with the following exceptions:

In addition to the quarantine exception, producers may not have to comply with the 50% planting requirement if the Secretary determines that producers are prevented from planting the acreage intended for rice to rice because of a natural disaster or other condition beyond the control of the producer. (New Section 101A(c)(1)(D))

The House amendment is similar to current law with the following exceptions:

The deficiency payment rate under this provision may not be established at less than the projected deficiency payment rate for the crop.

The Secretary may waive the 50% planting requirement for any crop of rice.

Provides for payments to producers that are prevented from planting acreage to rice because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, if an ARP is in effect and if a portion (or all) of the permitted rice acreage of the farm is devoted to conservation uses. (New Section 101B(c)(1)(B))

The Conference substitute adopts the House provision with an amendment to delete the discretionary 0/92 provision, and changing references from permitted acreage to maximum payment acres.

(b) Use of Underplanted Acreage

The Senate bill is similar to current law, except listed crops includes mung beans. (New Section 101A(c)(1)(D))

The House amendment is similar to current law and the Senate provision, except listed crops do not include sunflower, safflower, mustard seed and mung beans. (New Section 101B(c)(1)(F))

The Conference substitute adopts the House provision, with an amendment to add mung beans.

(4) Discretionary Disaster Payments

The Senate bill is the same as current law except there is no specific mention of the Secretary making the payments available in cash or certificates. (New Section 101A(a)(2))

The House amendment is similar to current law, except that a condition resulting from the adjudication of Indian water settlement disputes is included in the list of covered disasters. (New Section 101B(c)(2))

The Conference substitute adopts the Senate provision.

(5) Acreage Limitation Programs

(a) Announcement of ARP

The Senate bill provides that the ARP must be announced by January 31 of the calendar year in which the crop is harvested, except that in the case of the 1991 crop, the announcement must be made as soon as practicable after the date of enactment. (New Section 101A(e)(1)(C))

The House amendment is the same as current law. (New Section 101B(e)(1)(C))

The Conference substitute adopts the Senate provision.

(b) Percentage Reduction

The Senate bill provides that the ARP can be established from 0 to 35% of the rice crop acreage base for each rice-producing farm. Except as provided in the planting flexibility provisions in title V of the 1949 Act and inventory reduction program, producers who do not comply with the ARP shall be ineligible for rice loans, purchases, and payments with respect to that farm. (New Section 101A(e)(2)(A))

The House amendment is the same as current law. (New Section 101B(e)(2)(A))

The Conference substitute adopts the Senate provision.

(5) Acreage Devoted to Conservation Uses

(a) Reduced Acreage

The Senate bill provides for reduced acres determined by multiplying the rice acreage base by the percentage reduction required under the ARP. (New Section 101A(e)(2)(D))

The House amendment is the same as current law. (New Section 101B(e)(2)(D))

The Conference substitute adopts the Senate provision.

(b) Permitted Acreage

The Senate bill provides that "Permitted acreage" equals acreage base minus the reduced acreage. (New Section 101A(e)(2)(D))

The House amendment provides no definition.

The Conference substitute adopts the Senate provision. The act also contains provisions in section 1101 that will allow for a reduction of "permitted acreage" through planting flexibility provisions, and changes the term "permitted acreage" to "maximum payment acres".

(7) Use of Reduced Acreage

(a) Planting of Oilseeds

The Senate bill provides that producers may plant an oilseed, or other such crop considered appropriate by the Secretary, on no more than one-half of the reduced acreage on the farm. The amount of the deficiency payments that such producers are otherwise eligible to receive shall be reduced, for each acre (or portion thereof) that is planted to the oilseeds or other crops, by an amount equal to the deficiency payment that would be made with respect to a number of acres of the crop that the Secretary considers appropriate. If the producers are participating in a program established for more than one program crop, the amount of the reduction shall be prorated among all of such program crops. Reductions in acreage used to compute deficiency payments under this provision must be sufficient to ensure that this provision will result in no additional cost to the CCC. (New Section 101A(e)(2)(F))

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision with an amendment making the program discretionary.

(b) Experimental or Industrial Nonprogram Crops

The Senate bill provides that the producers on a farm may also elect to—

(1) devote reduced acreage to an experimental or industrial nonprogram crop; or

(2) harvest a conserving crop on reduced acreage, determined and announced by the Secretary (referred to as an approved crop). The amount of the deficiency payment that such producers are otherwise eligible to receive shall be reduced, for each acre (or portion thereof) that is planted for harvest to an approved crop, by an amount equal to the deficiency payment that would be made with respect to one acre (or portion thereof) of the crop. If the producers are participating in a program established for more than one program crop, the amount of the reduction shall be prorated among all of such program crops. (New Section 101A(e)(2)(F))

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision with an amendment making it discretionary and allowing the Secretary to adjust the penalty for participating in the provision. Further, the Senate provision on crops which may be planted on Reduced Acres is added.

(8) Targeted Option Payments

The Senate bill provides that if the Secretary implements an ARP for rice of 20% or less, the Secretary shall allow producers who are not participating in the 50/92 program to increase or decrease the acreage limitation percentage applicable to the crop of rice in return for adjustments in the level of deficiency payments.

For each 1% increase in the ARP above the percentage announced by the Secretary (but not above 5 percentage points), producers shall be eligible to receive an increase in the established price for rice (determined by the Secretary) but not less than 0.5%, nor more than 1%, for each 1 percentage point increase in the ARP.

For each 1% decrease in the ARP (but not below 1/2 of the announced acreage limitation percentage), the established price will be decreased (amount determined by the Secretary), but not less than 0.5%, nor more than 1%, for each 1 percentage point decrease in the ARP.

The Secretary shall, to the extent practicable, ensure that the TOP does not have a significant effect on program participation or total production and shall be offered in such a manner as to not result in additional budget outlays. (New Section 101A(e)(3))

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to make it discretionary. If implemented, the Secretary must provide for both increased and decreased individual ARP options.

(9) Administration of Conservation Use Acreage

(a) In General

The Senate bill is the same as current law with the following additional requirement:

Producers participating in ARP must plant to an annual or perennial cover 50% of the reduced acreage, but not to exceed 5% of the crop acreage base. The CCC shall pay 25% of the cost of establishing such cover (on not more than 50% of the reduced acreage or 5% of the acreage base) if the producer establishes a perennial cover on the reduced acreage.

If a producer establishes a perennial cover on the reduced acreage and receives cost-share assistance from the CCC, the perennial cover shall be maintained for at least 3 years. (New Section 101A(e)(4))

The House amendment is the same as current law. (New Section 101B(e)(3))

The Conference substitute adopts the Senate provision with an amendment providing that the perennial cost-share shall be limited to cover crops capable of improving water quality or wildlife habitat and requiring consultation with State Technical Committees. Also, if the ARP percentage is reduced to a level less that the portion of the producer's crop acreage base planted to the perennial cover crop, and if the perennial cover crop received cost-share, the Secretary shall make deficiency payments on perennial crop acres.

(b) Conserving Crops

The Senate bill is the same as current law, except mung beans and milkweed are included. (New Section 101A(e)(4)(B)(iii))

The House amendment is the same as current law. (New Section 101B(e)(3)(B))

The Conference substitute adopts the Senate provision.

(c) Haying and Grazing

The Senate bill is the same as current law, except that there is a limitation on haying and grazing if there would be an adverse economic effect is eliminated. (New Section 101A(e)(4)(C))

The House amendment is the same as the Senate provision, except that it prohibits the Secretary from excluding irrigated or irrigable acreage not planted in alfalfa from this provision. (New Section 101B(e)(3)(C))

The Conference substitute adopts the House provision.

(10) Water Storage Uses

The Senate bill provides that land converted to water storage uses shall be considered to be devoted to conservation uses if the land was devoted to wheat, feed grains, cotton, rice, or oilseeds in at least 3 of the immediately preceding 5 years. The land shall be considered to be devoted to conservation uses for the period that the land remains in water storage uses, but not to exceed 5 years subsequent to its conversion. (New Section 101A(e)(4)(D))

The House amendment provided for water storage uses in the miscellaneous title of the amendment.

The Conference substitute adopts the Senate provision with an amendment providing that the area devoted to water storage uses may not be devoted to any commercial use, including commercial fish production, that the water stored on the land may not be ground water, and that the farm on which the land is located on must have been irrigated with ground water during at least 1 in the preceding 5 crop years.

(11) Participation Agreements

The Senate bill is similar to current law, except that an agreement may be modified for the purpose of alleviating a shortage of commodities only if there has been a significant change in the estimated stocks of the commodity since the original announcement of the terms and conditions of the rice program. (New Section 101A(e)(7))

The House amendment is the same as current law. (New Section 101B(e)(6))

The Conference substitute adopts the Senate provision.

(12) Inventory Reduction Program

The Senate bill is similar to current law, except as follows:

The program is mandatory; and

Payments under this program may be made in the form of negotiable marketing certificates. (New Section 101A(f))

The House amendment is similar to current law with the following exception:

Payments may be made—

(A) in the form of rice owned by the Commodity Credit Corporation; or

(B) in such other form as the Secretary is authorized by law to make.

Requires that the quantity of rice to be made available to a producer under this subsection must be equal in value to the payments so determined under such subsection. (New Section 101B(f)(4))

The Conference substitute adopts the House provision.

(13) Failure to Comply Fully

The Senate bill is the same as current law. (New Section 101A(g))

The House amendment is the same as current law and Senate provision, except that the Secretary may consider whether the producer made a good faith effort to comply fully with the terms and conditions of such program in determining whether equitable relief is warranted under this paragraph. (New Section 101B(g))

The Conference substitute adopts the House provision.

TITLE VII—OILSEEDS

(1) Oilseed price support/Oilseeds definition

The Senate bill provides a new section 205 to the Agricultural Act of 1949. Section 205(a) defines the term oilseeds as soybeans, sunflower seeds, canola, rapeseed, safflower, flaxseed, and such other oilseeds as the Secretary may determine. Section 205(b) provides that the Secretary shall support the price of oilseeds through nonrecourse loans for oilseeds produced on the farm in each of the 1991 through 1995 marketing years. (Section 801)

The House amendment amends Section 201 of the 1949 Act which provides that the Secretary shall support the price of soybeans, sunflowers, canola, rapeseed, safflower, flaxseed, mustard seed, and any other oilseeds the Secretary may designate, through loans and purchases in each of the 1991 though 1995 marketing years. (Section 701)

The Conference substitute adopts the Senate position on defining oilseeds as soybeans, sunflower seed, canola seed, rapeseed, safflower seed, flaxseed, with an amendment to include mustard seed, and such other oilseeds as the Secretary may determine. The Secretary shall support the price of oilseeds through nonrecourse loans to producers on a farm for such oilseeds produced on the farm in each of the 1991 through 1995 marketing years. (Section 701)

The title marks a departure from efforts to support soybeans in past farm bill legislation, and includes for the first time a mandated program for other minor oilseeds. The Managers note that capacity in the United States to produce and process soybeans and oilseed has been on a steady decline for the past decade, as domestic prices failed to provide adequate incentives to American farmers, and as other farm programs continued to offer higher rewards for participation in basic commodities other than oilseeds. U.S. production has dwindled, numerous processing facilities have closed, and competitors in South America have aggressively expanded production with the assistance of generous processor subsidies. It is the intent of the Mangers that the marketing loan programs for oilseeds be implemented and administered in a manner to ensure the gradual return of domestic farm acreage into production of these crops and further, it is the intent of the Managers that the Secretary maintain the utmost measure of flexibility and latitude to maximize the effectiveness of the program in achieving this goal.

(2) Price support level

The Senate bill, in section 205(c), establishes the loan level of $5.50 per bushel for each of the 1991 through 1995 crops of soybeans. The loan level established for each of the 1991 through 1995 crops of sunflower seed, canola, rapeseed, safflower, and flaxseed is $0.097 per pound. The loan level for each of the 1991 through 1995 crops of oilseeds, other than oilseeds designated by the Secretary, shall be established at such level as the Secretary determines will take into account the historical price relationship between each type of oilseed and soybeans, the prevailing loan level for soybeans, and the historical meal oil content of each type of oilseeds and soybeans. (Section 801)

The House amendment, in section 201(g), provides that the level of price support for the 1991 and 1992 crops of soybeans shall not be less than $5.25 per bushel. In the case of the 1991 through 1995 crops of sunflower, canola, rapeseed, safflower, flaxseed, mustard seed, and other oilseeds the Secretary may designate, the level of price support shall be set for each such oilseed at such level as the Secretary determines is fair and reasonable in relation to the level of price support available for soybeans, including any adjustment made, but, except in the case of cottonseed, in no event less than the level established for soybeans on a per pound basis for the same crop year. (Section 701)

The Conference substitute adopts the House position with an amendment which establishes the loan level for each of the 1991 through 1995 crops of soybeans at not less than $5.02 per bushel. For each of the 1991 through 1995 crops, the loan level for sunflower seed, canola seed, rapeseed, safflower seed, flaxseed, and mustard seed is establashed at $.089 per pound. In determining the loan level of each crop of sunflower seed, canola seed, rapeseed, safflower seed, flaxseed, and mustard seed, it is the intent of the Managers that the Secretary take into account the historical price relationship between each type of such oilseed and soybeans and the relative meal and oil content of each type of oilseed compared to soybeans. The loan level for each of the 1991 though 1995 crops of such other oilseeds the Secretary may designate is established at such level as the Secretary determines is fair and reasonable in relation to the loan level available for soybeans, except that, in the case of cottonseed, in no event less than the level established for soybeans on a per pound basis for the same crop year. (Section 701)

(3) Adjustment of loan levels

The Senate bill provides, in section 205(c), that if the Secretary estimates, not later than September 30 of the year previous to the year in which a crop of soybeans is harvested that the stocks-to-use ratio for any of the 1991 through 1995 crops of soybeans will be over 19%, the Secretary may establish the loan level for the crop at $5.25 per bushel and if the stocks-to-use ratio for any of the 1991 through 1995 crops of soybeans will be over 25%, the Secretary may establish the loan level for the crop of soybeans at $5.00 per bushel. If the Secretary adjusts the soybean price support level, the Secretary shall make a corresponding adjustment in the loan level for sunflower seeds, canola, rapeseed, safflower, flaxseed, and any other oilseed designated by the Secretary. Any reduction in the soybean loan level for one year shall not be considered in determining the loan level for subsequent years. (Section 801(2))

The House amendment provides, in section 201(g), that in the case of each of the 1993 through 1995 crops of soybeans and other oilseeds for which a price support program is in effect, if the Secretary estimates for the marketing year for such crop that the ratio of ending stocks to total use for the marketing year will be more than 25%, the Secretary may reduce the level of price support for soybeans or such other oilseeds for that marketing year by an amount not to exceed 5% in any year. If the Secretary estimates for the marketing year for such crop that the ratio of ending stocks to total use for the marketing year will be more than 20% but not more than 25%, the Secretary may not reduce the level of price support. If the Secretary estimates for the marketing year for such crop that the ratio of ending stocks to total use for the marketing year will be equal to or less than 20%, the Secretary shall increase the level of price support by 5%. In no case may the level of price support for the 1993 crop of soybeans be more than $5.40 per bushel. The House amendment provides that any change in the level of price support for soybeans and such other oilseeds shall not be considered in determining the level of price support for subsequent years.

The Conference substitute deletes both the Senate and House positions. (Section 701)

(4) Repayment of price support loans/OI-13. Implementation

The Senate bill, in section 205(d)(1), provides that the Secretary shall permit a producer of oilseeds to repay a loan made under this section for a crop at a level that is the lesser of the loan level or the prevailing world market price for the applicable oilseed, adjusted for location and quality differentials, as determined by the Secretary. (Section 801)

The Senate bill further provides, in section 205(j), that the Secretary is to ensure that the program established under this section will be administered to minimize potential loan forfeitures, minimize the accumulation of federal government oilseeds stocks, minimize the cost incurred by the federal government in storing oilseeds, and allow oilseeds produced in the United States to be marketed freely and competitively, both domestically and internationally. (Section 801)

The House amendment, in section 201(g)(4)(A), provides that the Secretary shall permit a producer to repay a loan for any crop of oilseeds at a level that is the lesser of the loan level or the prevailing world market price for the crop of oilseeds, as determined by the Secretary. (Section 701)

The House amendment contains no comparable provision on implementation.

The Conference substitute adopts the Senate position. In adopting this provision, the Managers note that the goal of this title is to provide U.S. producers sufficient incentives to regain lost production capacity and export competitiveness and that the Secretary should exercise prudence before requiring loan repayments in excess of the prevailing world price. (Section 701)

(5) Loan deficiency payments.

The Senate bill, in section 205(e), gives the Secretary authority, for each of the 1991 through 1995 crops of oilseeds, to make payments available to producers, who although eligible to obtain a nonrecourse loan, agree to forgo obtaining such loan in return for payments. Such payments are computed by multiplying the loan payment rate by the quantity of oilseeds the producer is eligible to place under loan. The loan payment rate is the amount by which the loan level determined for the crop exceeds the level at which a loan may be repaid. (Section 801)

The House amendment, in section 201(g)(5)(A)-(D), provides that the Secretary shall, for each of the 1991 through 1995 crops of soybeans, sunflower, canola, rapeseed, safflower, flaxseed, mustard seed and other oilseeds the Secretary may designate, make payments available to producers who, although eligible to obtain a nonrecourse loan, agree to forgo obtaining such loan in return for such payments. A payment is computed by multiplying the loan payment rate by the quantity of such crop that the producer is eligible to place under loan. Quantities of such crop eligible to be placed under loan may not exceed the product obtained by multiplying the individual farm acreage for such crops actually harvested by the actual yield per harvested acre established for the farm. The loan payment rate is the amount by which the loan level determined for such crop exceeds the level at which a loan may be repaid. The House amendment also provides that the Secretary may make such payments in the form of generic certificates of the Commodity Credit Corporation and must make these certificates available in such a manner so as to minimize the accumulation of oilseed stocks. (Section 701)

The Conference substitute adopts the House position. (Section 701)

(6) Marketing year

The Senate bill provides that the soybean marketing year is the 12-month period beginning September 1. In section 205(f), the marketing years for the other oilseeds designated by the Secretary to receive price support shall be prescribed by the Secretary by regulation. (Section 801)

The House amendment provides that the marketing year for soybean, sunflower and safflower be the 12-month period beginning September 1 of the calendar year in which the crop of the commodity is harvested. The marketing year for canola and rapeseed is the 12-month period beginning on May 1 of the calendar year in which the crop of the commodity is harvested. The marketing year for flaxseed, mustard seed, and any other oilseed that the Secretary may designate is such period as prescribed by the Secretary by regulation. (Section 701)

The Conference substitute adopts the Senate provision. (Section 701)

(7) Announcement of Program Provisions

The Senate bill, in section 205(g), requires the Secretary to make a preliminary announcement of the level of price support for each type of oilseeds by July 15 of the year prior to the marketing year for the crop. The Secretary shall make a final announcement of the level of price support not later than November 15 of the year prior to the marketing year for the crop of oilseeds. (Section 801)

The House amendment, in section 201(g)(7), provides that the Secretary shall make a preliminary announcement of the support price for each crop of soybeans, sunflower, and safflower not later than November 1 preceding the beginning of the marketing year for the crop; the preliminary announcement of the support price for each crop of canola and rapeseed not later than July 1 preceding the beginning of the marketing year of the crop; and the preliminary announcement of the price support level for flaxseed, mustard seed, and other designated oilseeds not later than 10 months preceding the beginning of the marketing year for the crop. The Secretary shall make the final announcement for all crops not later than 30 days after the beginning of each marketing year. The final support price may not be less than the price support level specified in the preliminary announcement. (Section 701)

The Conference substitute adopts the House position with an amendment to delete the provision requiring an announcement of the loan rate.

Because the loan rate for oilseeds are not subject to adjustments, the Managers agree that an annual announcement is not necessary. If the Secretary determines that other oilseeds besides sunflower seed, flaxseed, canola, mustard seed, rapeseed, and safflower are to be supported, the Secretary should make such decision known to producers as soon as practicable. (Section 701)

(8) Loan Availability and Maturity

The Senate bill contains no provision.

The House amendment, in section 201(g), provides that loans for each crop of soybeans, sunflower, canola, rapeseed, safflower, flaxseed, mustard seed, and other oilseeds the Secretary may designate are available not earlier than the beginning of the marketing year for such crop and mature 9 months from the date of the loan. (Section 701)

The Conference substitute adopts the House provision with an amendment to strike the House amendment's prohibition on the availability of price support loans prior to the beginning of the marketing year. (Section 701)

(9) Prohibition of Planting on Conservation or Diverted Acreage

The Senate bill, in section 205(h)(2), provides that, except as otherwise provided in the Food, Agriculture, Conservation and Trade Act of 1990, the Secretary shall not permit the planting of soybeans for harvest on acreage required to be devoted to conserving uses or diverted from production under any other federal government program. (Section 801)

The House amendment contains no comparable provision.

The Conference substitute adopts the House position. (Section 701)

(10) Prohibition on storage payments and reserve eligibility

The Senate bill provides that the Secretary may not authorize payments to producers to cover the costs of storing soybeans. The Secretary may not consider soybeans an eligible commodity for any commodity reserve program. (Section 801)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate position. (Section 701)

TITLE VIII—PEANUTS

Suspension of marketing quotas and acreage allotments [SB 701, HB 801]

(1) National poundage quotas and acreage allotments [SB 702, HB 802]

The Senate bill strikes section 358 (k) through (v) of the 1938 Act and adds a new section 358-1 to provide for national poundage quotas and acreage allotments for the 1991 through 1995 crops of peanuts. [Sec. 702]

The House amendment provides that effective for the 1991-1995 crops of peanuts, amends section 358 of the Agricultural Adjustment Act of 1938 by amending subsections (k) through (p). [Sec. 802]

The Conference substitute adopts the Senate provision with a clarifying change. (Sec. 802)

(2) National poundage quotas [SB 702, HB 802]

The Senate bill sets the minimum national poundage quota at 1.35 million tons and authorizes the Secretary to adjust the poundage quota to provide an adequate carryover and account for undermarketings that will not increase program costs, cause the CCC to incur losses, or disrupt the integrity of the program. [Sec. 358-1(a)]

The House amendment provides a similar provision but sets the minimum national poundage quota at 1.35 million tons. [Sec. 358 (k) and (l)]

The Conference substitute adopts the House provision.

(3) Farm poundage quotas [SB 702, HB 802]

The Senate bill provides that:

Quota may be established on farms on which peanuts are produced in connection with experimental and research programs.

Increased quota is to be allocated proportionately, based on farm production history for the 3 preceding years, to farms producing peanuts in 2 of the last 3 years.

One third of the increased quota, and reduced and reallocated quota, allocated in Texas shall be subject to separate provisions that allocate such quota to farms, located in counties where production of additional peanuts exceeded the total quota allocated in such county, where additional peanuts have been grown in 1988 and 1989 (eligible farms). This portion of the quota shall be allocated among the eligible farms based on a factor that reflects the production of additional peanuts on the farm relative to other such farms in the county. Total increased allocation may never exceed

100% of the county's basic quota, in counties that had more than 10,000 tons of quota for the 1989 marketing year.

A tenant shall share equally with the owner of the farm in any increase in the quota resulting from the tenant's production on the farm of additional peanuts. The tenant's share of any such quota shall be allocated to a farm within the county owned by the tenant or sold by the tenant to the owner of any farm within the county and permanently transferred to that farm.

Quota will also be considered produced if the quota was leased for 1 of the 3 preceding years.

Not more than 25 percent of the total amount of farm poundage quota reduced or voluntarily released shall be allocated to farms in the State with no farm poundage quota in the preceding year. Increases in quota for undermarketings in previous years only back to 1989.

Special provisions for Texas farms increase the availability of quota on farms where additional peanuts have been grown in 1988 and 1989. [Sec. 358-1(b)]

The House amendment is similar to the Senate provision but does not provide that tenants shall share equally with the owner of the farm in any increase in the quota resulting from the tenant's production on the farm of additional peanuts nor that the tenant's share of any such quota shall be allocated to a farm within the county owned by the tenant or sold by the tenant to the owner of any farm within the county and permanently transferred to that farm. [Sec. 358(m)]

The Conference substitute adopts the Senate provision with an amendment deleting only those Senate provisions relating to the establishment of quotas on research or experimental programs. (Sec. 802)

(4) Marketing penalties; disposition of additional peanuts [SB 704, HB 804]

The Senate bill provides that marketing penalties do not apply to the marketing of breeder or Foundation seed peanuts grown by publicly owned agricultural experiment stations, including State-operated seed organizations and the bill authorizes and the Secretary to eliminate such penalties where appropriate. [Section 359a(a)]

The House amendment provides the same as current law. (Section 359(f))

The Conference substitute adopts the Senate provision with an amendment limiting the ability of publicly owned agricultural experiment stations and State-operated seed organizations to market peanuts in excess of their respective quotas through other individuals. The Conference managers intend that regulations issued by the U.S. Department of Agriculture regarding penalties for excess marketings by experiment and State-operated seed organizations, prior to the enactment of the Food Security Act of 1985, apply in such circumstances. Without such an interpretation, individual farmers may market peanuts in excess of their quota without penalty and such marketings would clearly disrupt the operation of the Peanut Program. (Sec. 802)

(5) Disposition and supervision [SB 704, HB 804]

The Senate bill authorizes handlers to export or crush sound split kernel peanuts and sound mature kernel peanuts in a quantity equal to the combined poundage of such peanuts purchased by the handler as additional peanuts. [Section 359a(d)]

The Senate bill provides that there shall be no limit on the quantity of sound splits that may be delivered by producers nor shall discounts be imposed on the prices paid to producers for the peanuts based on the proportion of sound splits to sound mature kernels in the deliveries, except that premiums may be paid for deliveries of peanuts with fewer sound splits proportionally than sound mature kernels.

The Senate bill provides for a minimum shrinkage allowance of 4.0 percent. [Section 359(d)]

The Senate bill provides that handlers who manufacture peanut products from domestic edible peanuts may export the products and receive credit for the fulfillment of export obligations for the peanut content of the products. The handler may apply the credits to equivalent quantities of additional peanuts of the same type and crop year as acquired by the handler and used in the domestic edible market. [Section 359a(e)]

The House amendment is similar to current law except requires handlers to export or crush peanuts classified in the following quantities:

(A) Sound split additional peanuts purchased by the handler to which a mandated deduction in the price paid to the producer is applied.

(B) Sound mature kernel peanuts (made up of sound split kernel peanuts and sound whole kernel peanuts) in an amount equal to the poundage of such peanuts purchased by the handler as additional peanuts minus the total poundage of sound split kernel peanuts described in (A) above.

(C) The remaining quantity of additional peanuts purchased by the handler; and require the Secretary to reduce such obligation by a shrinkage allowance of at least 4 percent unless the handler fails to comply with restrictions on the use of peanuts specified by the Commodity Credit Corporation. [Section 359(i)]

The House amendment provides for a minimum shrinkage allowance of 4.0 percent. [Section 359(i)]

The Conference substitute adopts the House provision with an amendment relating to the obligation of handlers to export or crush peanuts in certain categories. (Sec. 802)

The Conference substitute adopts the Senate provision with an amendment regarding export credits for manufacturers who are also handlers with additional requirements. First, manufacturers who are also handlers must provide the Secretary with peanut product formula certifications which must be updated within 90 days of the time in which peanut product formulas change. Such information must be provided on a product by product basis, and must be available to the Secretary prior to the review of the request for export credit. This requirement will facilitate the U.S. Department of Agriculture's oversight of this provision, and allow peanut product manufacturers ample time to update certifications maintained by USDA. Further requirements include the maintenance, by the peanut product manufacturer who is also a handler, of such documents as the Secretary may require to ascertain the correct amount of credit any manufacturer should be given in a particular situation. It is suggested that documents required by the Secretary currently for other handlers, including Customs Export Declarations, would be useful in fulfilling the requirements of this provision. (Sec. 804)

The Managers also intend that provisions respecting penalties for other handlers should also apply with respect to manufacturers who are also handlers seeking export credit, and that requirements relating to letters of credit should also be handled in the same manner. Finally, the Secretary must conduct an annual review of export credits granted to manufacturers who are also handlers due to the possible adverse impact this provision may have on the operation of the Peanut Program. The Managers express their desire to see that full enforcement of this provision, with all of its safeguards, must occur in order to limit any adverse program consequences.

(6) Purchase of additional peanuts [SB 704, HB 804]

The Senate bill sets the additional contract deadline at December 16. [Section 359a(f)]

The House amendment sets the date at August 1. [Section 359(j)]

The Conference substitute adopts the Senate provision with an amendment changing the contract deadline to September 15, granting the Secretary the authority to extend the September 15 an additional 15 days in response to a drought or other similar emergency. Any extension of the contract deadline must be announced by September 5. (Sec. 804)

(7) Sale of Peanuts Owned or Controlled by CCC [SB 704, HB 804]

The Senate bill requires the Secretary to direct area marketing associations to make stocks of peanuts available whenever the Secretary finds that one or more such associations are withholding from sale stocks of peanuts under price support loans. [Section 359a(g)]

The House amendment provides no comparable provision. [Section 359(l)]

The Conference substitute deletes the Senate provision and adopts an amendment requiring the Secretary to include producer marketing costs, mandated by law, in calculations required under subsection (a)(2) and (b)(1) of section 108B of the Agricultural Act of 1949. Since these costs are required in order for the producer to market peanuts, they must be considered with respect to producer expenses. Marketing cost related to the 1990 Budget Reconciliation Act would not be included in any calculation under this provision. (Sec. 804)

(8) Experimental and research programs for peanuts [SB 708, HB 808]

The Senate bill amends the 1938 Act by inserting a new section 358c to permit the States to use some of the quota allocation for research at land grant colleges and universities as well as the Agriculture Research Service. The director of the Agricultural Experiment Station for the State shall be responsible for complying with the duties of the farm operator with respect to the production of the quota peanuts. [Section 705]

The House amendment provides that section 808 amends the 1938 Act by inserting a new section 358b, effective only for the 1991 through 1995 crops, with a similar provision that requires the allocation to be made from the State's quota reserve and sets the amount of such allocation equal to the amount of quota held by such institution during 1985 up to 1 tenth of 1 percent of the State's basic quota. [Section 358(b)]

The Conference substitute adopts the House provision. (Sec. 805)

(9) Price support for quota peanuts [SB 706, HB 805]

The Senate bill establishes the national average quota support rate for peanuts as follows:

For the 1991 crop, the national average quota support rate for the 1990 crop, adjusted to reflect any increase during 1990 in the cost of peanut production (excluding any change in the cost of land). The support rate for the 1991 crop shall not exceed by more than 8 percent the support rate for the 1990 crop.

For the 1992 and 1994 crops, the support rate shall equal the support rate for the immediately preceding crop without any adjustment for changes in the cost of peanut production.

For the 1993 and 1995 crops, the support rate shall equal the support rate for the immediately preceding crop, adjusted to reflect any cost of production increase during the prior two calendar years. Such increase shall not include any change in the cost of land and the total increase in the cost of peanut production for each of the two preceding years shall not exceed an average of 4 percent. [Section 108(a)]

The House amendment provides that for the 1991 through 1995 crops of quota peanuts any increase in the cost of production may not exceed 6%. [Section 108A(a)]

The Conference substitute adopts the House provision, with an amendment limiting annual cost of production increases to 5%. (Sec. 806)

(10) Quality improvement

The Senate bill provides that:

(A) The Secretary is encouraged to evaluate peanut inspection and grading procedures used for loan stock peanuts and to encourage the adoption of objection methods and technologies shown to improve quality.

(B) The Secretary is encouraged to provide incentives for producers to reduce loose shelled kernels in farmer stock peanuts.

(C) The Secretary is required to encourage the crushing of peanuts "at greater risk of deterioration".

(D) The Secretary is authorized to make such adjustments in quality and inspection applicable to farmer stock peanuts.

The Senate bill requires any changes in grades or quality realized through modifications under this section to be implemented by the Secretary, maintaining or increasing average prices paid to producers.

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate bill with an amendment adopting six specific provisions relating to quality improvement. First, with respect to loan stock peanuts the Secretary should promote the crushing of peanuts at a greater risk of deterioration before peanuts of a lesser risk of deterioration. Second, the Secretary should ensure that all Commodity Credit Corporation loan stocks of peanuts sold for domestic edible use must be shown to have been officially inspected by licensed U.S. Department of Agriculture inspectors both as farmer stock and shelled or cleaned in-shell peanuts. Third, the Secretary is directed to require that all peanuts in the U.S. market comply with all quality standards under Marketing Agreement Number 146. Fourth, the Secretary must ensure that peanuts produced for the export market meet Peanut Administrative Committee quality standards as established for the domestic market. Fifth, the Secretary must continue to operate the peanut price support program so as to endeavor to improve the quality of U.S. peanuts and ensure the coordination of activities under the Peanut Marketing Agreement Number 146. Finally, the Secretary must ensure that any changes made in the price support program as a result of these provisions requiring additional production or handling at the farm level will be reflected as an upward adjustment in the USDA loan schedule. (Sec. 809)

The Conferees intend that the U.S. Department of Agriculture work as quickly as possible to implement the provisions of this section in order to assure American consumers continue to receive high quality peanut products.

(11) Regulations [SB 709]

The Senate bill requires the Secretary to hold a hearing in Atlanta, Georgia, to discuss the implementation of this title and the amendments to this title to receive comments on regulations prior to the formal proposal of such regulations. Requires the Secretary to publish a notice of the hearing in the Federal Register within 30 days from the enactment of this Act.

Requires the Secretary to hold informal hearings on peanut program regulations at least once a year in Atlanta, Georgia before the planting of the upcoming crop to permit interested industry organizations and individuals to advise the Secretary on regulations for the implementation of this title and the amendments to this title.

Additional informal hearings may be held after the hearing held above for the same purposes on publication of notice of the additional hearings in the Federal Register.

Requires a representative of the Department of Agriculture to—

(1) attend all hearings held under this section;

(2) maintain official records of the hearings; and

(3) make the records available to all interested persons. Requires the Secretary to—

(1) provide public notice through the Federal Register of any proposed regulations referred to in this section; and

(2) allow adequate time for written public comment prior to the formulation and issuance of any final regulations. [Section 709]

The House amendment provides no comparable provision.

The Conference substitute strikes sections 709(a) through 709(e) of the Senate provision, and adopts language encouraging the Secretary to comply with the written notice and comment provisions of the Administrative Procedure Act.

TITLE IX—SUGAR

(1) Sugar price support [SB 901, HB 201]

The Senate bill amends title II of the Agricultural Act of 1949 by adding a new section 206 that directs the Secretary to support the price of the 1991 through 1995 crops of sugar beets and sugarcane. [Section 901]

The House amendment provides a comparable provision in section 201 that amends section 201(h).

The Conference substitute adopts the House provision.

(2) Nonrecourse loans [SB 901, HB 201]

The Senate bill provides the same as current law. [Section 206(b) and (c)]

The House amendment provides the same provision for sugarcane. The House amendment also provides that the price for sugar beets shall be supported through nonrecourse loans at a level that bears the same relation to the support level for sugarcane as the weighted average of producer returns for sugar beets bears to the weighted average of producer returns for sugarcane, for the most recent five year period, plus an amount that covers processor fixed marketing expenses. [Section 201(h)(2) and (3)]

The Conference substitute adopts the House provision.

(3) Technical provisions [SB 901, HB 201]

The Senate bill amends section 201 of the 1949 Act as follows:

(1) in the matter preceding subsection (a), by striking "honey, and milk" and inserting "honey, milk, sugar beets, and sugarcane"; and

(2) by striking subsection (j). [Section 901]

The House amendment contains a similar provision.

The Conference substitute adopts the Senate provision.

(4) Distortions to world sugar trade [SB 902]

The Senate bill provides that GAO report to Congress recommendations for policies the United States can adopt to improve and enhance developing countries' access to world sugar markets and reduce other distortions to world sugar trade. Senate findings with respect to the importance of the U.S. sugar market for the countries of Latin America, especially in the Caribbean, Central American and Andean regions. [Section 902]

The House amendment provides no comparable provision.

The Conference substitute deletes the Senate provision.

(5) GAO report [HB 201]

The House amendment directs the Comptroller General of the United States to report to Congress within 12 months after the date of enactment on the progress the various agencies of the United States Government have made in addressing the concerns raised by the General Accounting Office in its official report, RCED-88-146, dated June 1988. [Section 201(b)]

The Senate bill provides no comparable provision.

The Conference substitute deletes the House provision.

(6) Information reporting [HB 202]

The House amendment requires all cane sugar refiners and sugar beet processors and all manufacturers of crystalline fructose to furnish the Secretary with monthly information with respect to such person's importation, distribution, and stock levels of sugar or crystalline fructose, respectively. [Section 202(a)]

The House amendment makes any person willfully failing or refusing to furnish such information, or furnishing willfully any false information, subject to a civil penalty of not more than $10,000 for each such violation. [Section 202(b)]

The House amendment directs the Secretary to publish monthly composite data on imports, distribution, and stock levels of sugar and crystalline fructose. [Section 202(c)]

The Senate bill provides no comparable provision.

The Conference substitute adopts the House provision.

(7) Marketing allotments for sugar and crystalline fructose [HB 203]

The House amendment directs the Secretary—

(1) to estimate, for each of the fiscal years 1992 through 1996, the amount of sugar that will be consumed in the United States during such fiscal year and the amount of sugar that will be available from carrying stocks or from domestically-produced sugarcane and sugar beets;

(2) to estimate the amount of sugar that will be imported for such consumption during such year; and

(3) to make quarterly reestimates of sugar consumption, availability, and imports for a fiscal year no later than the beginning of each of the second through fourth quarters of such fiscal year. [Section 203(a)]

The House amendment directs the Secretary to establish, for any fiscal year in which the Secretary estimates that imports of sugar for consumption in the United States will be less than 1,250,000 short tons, raw value, appropriate allotments for the marketing of domestic sugar under section 204. [Section 203(b)]

The House amendment directs the Secretary to establish, for any fiscal year in which the Secretary establishes such allotments, appropriate allotments for the marketing of crystalline fructose. [Section 203(c)]

The House amendment provides that at any time allotments are in effect and allocated to processors under section 205, the total of—

(1) the amount of sugar marketed by a processor plus

(2) the amount of sugar pledged as collateral for a price support loan under section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446) may not exceed the amount of the allocation of the allotment made to such processor exclusive of—

(A) the marketing during a fiscal year of sugar pledged as collateral for a price support loan under section 201 after such sugar has been subsequently redeemed; or

(B) any sale of sugar by a sugar beet processor to enable another sugar beet processor to fulfill the allocation of an allotment. [Section 203(d)]

The House amendment also prohibits any manufacturer from exceeding the allotment made to it, prohibits restrictions or allotments on the marketings of any liquid fructose, makes any processor who violates section 203(d)(1) or manufacturer who violates 203(d)(2) liable to the Commodity Credit Corporation for a civil penalty, and defines, for purposes of subtitle A, the term "market". [Section 203(d)]

The Senate bill provides no comparable provision.

The Conference substitute adopts the House provision with an amendment allowing both beet and cane sugar to be sold between processors to fill an allocation.

The managers intend that pledging sugar as collateral for a price support loan be counted against a processor's allocation of the allotment; however, the subsequent marketing of sugar redeemed from a price support loan shall not be counted a second time against such allocation.

The Managers intend that the term "crystalline fructose" for the purposes of this Act means any solid fructose sweetener produced from corn, and that any such solid fructose be subject to the marketing restrictions provided for crystalline fructose under the Food, Agriculture, Conservation, and Trade Act of 1990. The Managers intend that the marketing allotment provisions be implemented in a manner that will not undermine the effectiveness of the marketing allotment system.

(8) Establishment of marketing allotments [HB 204]

The House amendment directs the Secretary to establish marketing allotments for sugar for any fiscal year in which such allotments are required under section 203(b) as follows:

(1) The Secretary must establish the overall allotment amount by deducting from the estimated sugar consumption for such fiscal year—

(A) 1,250,000 short tons, raw value (minimum imports), and

(B) carrying stocks of sugar, including sugar in CCC inventory; and must adjust the overall allotment amount to prevent to the maximum extent practicable the accumulation of sugar by the CCC.

(2) The overall allotment amount for the fiscal year must be allotted among sugar derived from sugar beets and sugar derived from sugarcane.

(3)(A) The Secretary must establish fair and equitable percentage factors for the overall allotments based upon past marketings, processing and refining capacity, and the ability to market the sugar covered under the allotments.

(B) The Secretary must publish these percentage factors along with a description of the reasons for establishing the factors.

(4) The marketing allotment must be equal to the product of the overall allotment amount multiplied by the percentage factor established by the Secretary under paragraph (3)(A) for such allotment.

(5) The allotment for sugar derived from sugarcane must be further allotted equitably among the four States in which sugarcane is produced, and Puerto Rico on the basis of past marketings of sugar, (average of the 2 highest years of production from each State from 1985 through 1989), processing and refining capacity, and the ability of processors to market the sugar.

(6)(A) The Secretary must adjust marketing allotments based on reestimates established under section 204 (1) through (5) or suspend such allotments to reflect changes in estimated sugar consumption, availability, or imports.

(B) Each allocation of an allotment under section 205, and each proportionate share established under section 207(b), must be increased or decreased by the same percentage that the allotment is adjusted.

(C) Whenever an allotment is required to be reduced under section 204(6), if the amount of the sugar marketed (or pledged) for that fiscal year at the time of such reduction by all processors or by any individual processor covered by the allotment exceeds the reduced allotment, the amount of the excess sugar marketed shall be deducted from the marketing allotment, if any, next established for such processors, or State.

(7) Except as otherwise provided in section 206, each marketing allotment established under this section may only be filled with sugar processed from domestically grown sugarcane and sugar beets. [Section 204]

The Senate bill provides no comparable provision.

The Conference substitute adopts the House provision.

(9) Allocation of Marketing allotments [HB 205]

The House amendment directs the Secretary to allocate each marketing allotments established for a fiscal year under section 204 among the processors covered by the allotment. [Section 205(a)]

The House amendment also directs the Secretary to make allocations for cane sugar and beet sugar after hearing and notice in such manner and quantities as to provide a fair, efficient, and equitable distribution taking into consideration processing capacity, past marketings of sugar (in the case beet sugar considering the marketings of sugar processed from sugar beets of any or all of the 1985 through 1989 crops), and the ability of each processor to market sugar, and makes each such allocation subject to adjustment under section 204(6)(B). [Section 205(a)]

The House amendment authorizes the marketing allotment, except as otherwise provided in section 206, established for cane sugar under subtitle A for a fiscal year to be filled only with sugar processed from sugarcane grown in the State covered by the allotment. [Section 205(b)]

The Senate bill provides no comparable provision.

The Conference substitute adopts the House provision.

The managers intend that in considering the ability of processors to market sugar, the ability to produce such sugar be taken into account.

(10) Assignment of deficits [HB 206]

The House amendment directs the Secretary, at any time allotments are in effect under subtitle A, to determine whether processors of sugarcane and sugar beets will be able to market sugar covered by the portion of the allotment applicable to them. [Section 206(a)]

The House amendment directs the Secretary, if the Secretary determines that the sugarcane processors subject to a State allotment will be unable to market the State's allotment for the fiscal year—

(1) to first reassign the estimated quantity of the deficit proportionately to the allotments for other cane sugar States, depending on the capacity of each other State to fill the portion of the deficit to be assigned to it, with such reassigned amount to each State to be allocated among processors in that State in proportion to the allocations of such processors; and

(2) if after such reassignments, the deficit cannot be completely eliminated, to reassign the remainder to imports. [Section 206(b)]

The House amendment also directs the Secretary, if the Secretary determines that a sugar beet processor subject to an allotment will be unable to market that allotment—

(1) to first reassign the estimated quantity of the deficit proportionately to the allotments for other sugar beet processors, depending on the capacity of each other processor to fill the portion of the deficit to be assigned to it; and

(2) if after such reassignments, the deficit cannot be completely eliminated, to reassign the remainder to imports. [Section 206(b)]

The House amendment also provides that the allocation of each processor receiving a reassigned amount of an allotment under section 206(b) for a fiscal year must be increased to reflect such reassignment. [Section 206(b)]

The Senate bill provides no comparable provision.

The Conference substitute adopts the House provision with an amendment directing the Secretary to first reassign a cane sugar deficit to other processors within that state.

(11) Processor assurances [HB 207]

The House amendment directs the Secretary, whenever allotments for a fiscal year are allocated to processors under section 205, to obtain from the processors such assurances as the Secretary deems adequate that the allocation will be shared among producers served by the processor in a fair and equitable manner that adequately reflects producers' production histories, and to resolve through arbitration by the Secretary on the request of either party any dispute between a processor and a producer, or group of producers, with respect to the sharing of the processor's allocation. [Section 207(a)]

The Senate bill provides no comparable provisions.

The Conference substitute adopts the House provision.

(12) Proportionate shares of certain allotments [HB 207]

The House amendment directs the Secretary, in any case in which a State allotment is established under section 204(5) and there are in excess of 250 producers in the State to which it applies, to make a determination under section 207(b)(1)(B). [Section 207(b)]

The House amendment also requires the Secretary to determine, for each State allotment described in section 207(b)(1)(A), whether the production of sugar, in the absence of proportionate shares, will be greater than the quantity needed to enable processors to fill the allotment and provide a normal carryover inventory and require the Secretary, if the Secretary determines that the amount of sugar processed from all crops by all processors covered by a State allotment for a fiscal year will be in excess of the quantity needed to enable processors to fill the allotment for such fiscal year and provide a normal carryover inventory, to establish proportionate shares for the crop of sugarcane that is harvested during the fiscal year the allotment is in effect as provided in this subsection with each such proportionate share subject to adjustment under section 204(6)(B). [Section 207(b)]

The House amendment also directs the Secretary, for purposes of determining proportionate shares for any crop of sugarcane—

(1) to convert the State allotment for the fiscal year involved into a State acreage allotment for the crop by dividing the State allotment by the per-acre yield goal for the State, as established under subparagraph (B),

(2) the Secretary shall establish the State's per-acre yield goal for a crop at a level (not less than the average per-acre yield in the State for the preceding 5 years, as determined by the Secretary) that will ensure an adequate net return per pound to producers in such State, taking into consideration any available production research data that the Secretary deems relevant, and

(3) to establish a uniform reduction percentage for the crop by dividing the State acreage allotment, as determined for such crop under subparagraph (A), by the number of acres in the State that the Secretary estimates would otherwise be harvested for the production of such crop of sugarcane. [Section 207(b)]

The House amendment also provides that the uniform reduction percentage for such crop, as determined under section 207(b)(3)(C), must be applied to the acreage base for each farm covered by the State allotment to determine the farm's proportionate share for the crop and that for purposes of section 207(b), the acreage base for each sugarcane-producing farm must be determined by the Secretary, as follows:

(1) The acreage base for any crop shall be the number of acres that is equal to the average of the acreage planted and

considered planted for harvest for sugar or seed on the farm in each of the 5 crop years preceding such crop year.

(2) Acreage that producers on a farm were unable to harvest to sugarcane for sugar or seed because of drought, flood, other natural disaster, or other condition beyond the control of the producers shall be considered as harvested to sugarcane for sugar or seed for purposes of section 207(b)(4). [Section 207(b)]

The House amendment provides that whenever proportionate shares are in effect in a State for a crop of sugarcane, no producer in the State knowingly may harvest for sugar or seed an acreage of sugarcane of such crop in excess of the farm's proportionate share for the crop or otherwise violate proportionate share regulations issued by the Secretary under section 209(a). Section 207(b) also makes any producer who violates section 207(b)(5)(A) liable to the Commodity Credit Corporation for a civil penalty in an amount equal to 3 times the U.S. market value, at the time of the commission of the violation of that quantity of sugar involved in the violation and provides that the quantity of sugar involved must be determined based on the per-acre yield goal established under section 207(b)(3). Provides that the Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or modify deadlines and other proportionate share requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of proportionate shares. [Section 207(b)]

The Senate bill provides no comparable provisions.

The Conference substitute adopts the House provision.

(13) Transfer of production history [HB 208]

The House amendment Authorizes the Secretary, for the purpose of establishing proportionate shares for producers under section 207, on application of any producer, may transfer the production history of land owned, operated, or controlled by such producers to any other parcels of land of such applicant. [Section 208(a)]

The Senate bill provides no comparable provision.

The Conference substitute adopts the House provision.

(14) Revision of production history [HB 208]

The House amendment authorizes the Secretary, if for reasons beyond the control of the owner of a farm, the owner is unable to use all or a portion of the proportionate share established for the farm under section 207, to reserve for a period of not more than 3 consecutive years the production history of such farm to the extent of the proportionate share involved. Such proportionate share may be redistributed to other farm owners or operators, but no production history may accrue to such other farm owners or operators, by virtue of such redistribution of the proportionate share so redistributed. [Section 208(b)]

The Senate bill provides no comparable provision.

The Conference substitute adopts the House provision.

(15) Revisions of allocations and proportionate shares [HB 208]

The House amendment authorizes the Secretary, after such hearing and notice as the Secretary by regulation may prescribe, to revise or amend any allocation of a marketing allotment under section 205, or any proportionate share established for a farm under section 207, on the same basis as the initial allocation or proportionate share was established. [Section 208(c)]

The Senate bill provides no comparable provision.

The Conference substitute adopts the House provision.

(16) Regulations [HB 209]

The House amendment directs the Secretary to issue such regulations as may be necessary to carry out the authority vested in the Secretary in administering the marketing allotment program under subtitle A and in addition to taking such other action as may be required under 5 U.S.C. 551 through 559, prior to proposing any regulations under paragraph (1), to consult with representatives of domestic sugar processors and producers with regard to ensuring that such regulations achieve the objectives of subtitle A. The results of such consultations must be published in the Federal Register, along with the proposed regulations. [Section 209(a)]

The Senate bill provides no comparable provision.

The Conference substitute adopts the House provision.

(17) Violation [HB 209]

The House amendment makes any person knowingly violating any regulation of the Secretary issued under section 209(a) subject to a civil penalty of not more than $5,000 for each violation. [Section 209(b)]

The Senate bill provides no comparable provision.

The Conference substitute adopts the House provision.

(18) Publication [HB 209]

The House amendment requires each determination issued by the Secretary to establish, adjust or suspend allotments under subtitle A to be promptly published in the Federal Register and to be accompanied by a statement of the reasons for such determination. [Section 209(c)]

The Senate bill provides no comparable provision.

The Conference substitute adopts the House provision.

(19) Jurisdiction of courts [HB 209]

The House amendment grants to U.S. district courts jurisdiction to enforce subtitle A or any regulation issued thereunder and requires U.S. attorneys to enforce the remedies and to collect the penalties and forfeitures unless the Secretary determines that the administration and enforcement of subtitle A would be adequately served by written notice or warning to any person committing a violation. [Section 209(d)]

The Senate bill provides no comparable provision.

The Conference substitute adopts the House provision.

(20) Nonexclusivity of remedies [HB 209]

The House amendment provides that the remedies and penalties provided for in subtitle A are in addition to, and not exclusive of, any remedies or penalties existing at law or in equity. [Section 209(e)]

The Senate bill provides no comparable provision.

The Conference substitute adopts the House provision.

(21) Appeals [HB 210]

The House amendment provides that an appeal may be taken to the Secretary from any decision under section 205 establishing allocations of marketing allotments, or under section 207, by any person adversely affected by reason of any such decision. [Section 210(a)]

The House amendment provides that any such appeal must be filed with the Secretary, including a notice of appeal and a statement of the reasons therefor, within 20 days of the announcement of the decision unless a later date is specified by the Secretary as the effective date. The Secretary must notify each person adversely affected by reason of the decision appealed, and must permit any such person to inspect and make copies of appellant's reasons for the appeal and to intervene in the appeal. The Secretary must provide each appellant an opportunity for a hearing and appoint an administrative law judge to conduct such hearing. [Section 210(b)]

The Senate bill provides no comparable provision.

The Conference substitute adopts the House provision.

(22) Administration [HB 211]

The House amendment authorizes the Secretary, in carrying out the provisions of sections 202 through 210 of this subtitle, to use the services of local committees of sugar beet or sugarcane producers, sugarcane processors, or sugar beet processors, State and county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act, and the departments and agencies of the United States Government. [Section 211(a)]

The House amendment directs the Secretary to use the services, facilities, funds, and authorities of the Commodity Credit Corporation to carry out the provisions of sections 202 through 210 of subtitle A. [Section 211(b)]

The Senate bill provides no comparable provision.

The Conference substitute adopts the House provision.

Subtitle B—Miscellaneous

(23) Sugarcane disaster assistance [HB 221]

The House amendment amends section 201(k)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446(k)(2)), effective only for the 1990 crop of sugarcane, by inserting a new subparagraph that provides that if, because of frost, freeze, or related condition in 1989 constituting a major disaster or emergency declared by the President in the State of Louisiana under the Disaster Relief Act of 1974 (42 U.S.C. 5121 et seq.), the total quantity of the 1990 crop of sugarcane that producers are able to harvest on any farm is less than—

(1) 60 percent of the county average yield, as determined by the Secretary of Agriculture, for such crop, multiplied by

(2) the acreage planted for harvest to such crop,

the Secretary must make a reduced yield disaster payment to the producers at a rate equal to 50 percent of the loan level for the crop for the deficiency in production greater than 60 percent for the crop and must ensure that no producer receives duplicative payments under this section. [Section 221(a)]

The Senate bill provides no comparable provision.

The Conference substitute adopts the House provision, with an amendment clarifying that any such assistance be subject to advance appropriation.

(24) 1989 Crop clarification [HB 221]

The House amendment amends section 103 of the Disaster Assistance Act of 1989 (7 U.S.C. 1421 note) by adding a new subsection that requires the Secretary, for purposes of determining the total quantity of the 1989 crop of sugarcane that the producers on a farm are able to harvest, to make the determination based on the quantity of recoverable sugar. [Section 221(b)]

The House amendment also amends section 152(a)(2) of the Disaster Assistance Act of 1989 (7 U.S.C. 1421 note) to require the Secretary to permit producers described in section 103(f) to apply for assistance no later than January 15, 1991 and, in the case of applications received prior to the date of enactment of the Food and Agricultural Resources Act of 1990, to re-compute in accordance with section 103(f) the amount of any assistance due no later than 90 days after such date of enactment. [Section 221(b)]

The Senate bill provides no comparable provision.

The Conference substitute adopts the House provision.

(25) Reports on quota allocations to countries importing sugar [HB 222]

The House amendment amends section 902(c) of FSA.

The House amendment also requires the Secretary, within 90 days after the date of enactment of this Act and by August 1 of each year thereafter through 1995, to report to the President and the Congress the extent, if any, of sugar imports from the country named in section 902(c)(1) by the countries described in section 902(c)(1).

The House amendment also requires the President, commencing with the 1991-1992 quota year for sugar imports, to report to the Congress by January 1 the identity of the countries that are net importers of sugar derived from sugarcane or sugar beets who have a quota for the current quota year, the identity of such countries who have verified that they do not import for reexport to the United States any sugar produced in the country named in section 902(c)(1), and the action, if any, taken by the President with respect to countries reported by the Secretary as net importers of sugar derived from sugarcane or sugar beets who imported such sugar from the country named in section 902(c)(1) who reexported such sugar to the United States during the previous quota year under a sugar quota allocation. [Section 222]

The Senate bill provides no comparable provision.

The Conference substitute adopts the House provision.

TITLE X—HONEY

(1) Short Title; Findings; Policy

The House amendment provides that subtitle A may be cited as the "Beekeeping Industry Stabilization Act of 1990". It provides findings of Congress that illustrate the vital function that honeybees serve for United States agriculture by pollinating millions of acres of fruits, vegetables, oilseeds, and legumes, and seed crops annually.

A policy of Congress statement emphasizes the need to extend the honey price support program and preserve a viable domestic beekeeping industry. (Sections 601 and 602)

The Senate bill provides no comparable provision.

The Conference substitute deletes the House provision.

(2) Honey price support

The Senate bill requires that the price of honey for each of the 1991 through 1994 honey crops be supported through loans, purchases, or other operations at such level as the Secretary determines appropriate. The price support program is eliminated for 1995 and subsequent crops. (Section 1041)

The House amendment requires that for each of the 1991 through 1995 crops of honey, the price of honey be supported through loans, purchases, or other operations at not less than 53.8 cents per pound. (Section 603(a))

The Conference substitute adopts the House provision with an amendment to direct the Secretary to make payments available to producers who, although eligible to obtain a loan, agree to forgo obtaining the loan in return for deficiency payments. The payments are to be computed by multiplying the loan payment rate by the quantity of honey eligible to be placed under loan by that producer. The loan payment rate is defined to be the amount by which the loan level determined for the eligible crop exceeds the level at which a loan may be repaid under the price support program.

(3) Payment limitations

The House amendment limits total payments for each individual to $200,000 in crop year 1991, $167,000 in crop year 1992, $133,000 in crop year 1993, and $100,000 beginning with crop year 1994. (Section 603(b))

The Senate bill extends current law.

The Conference substitute adopts the House provision with an amendment to limit the total payments that an individual may receive under the marketing loan program to $200,000 in crop year 1991, $175,000 in crop year 1992, $150,000 in crop year 1993, and $125,000 beginning with crop year 1994. It also limits the total amount an individual may forfeit to $200,000 in crop year 1991, $175,000 in crop year 1992, $150,000 in crop year 1993, and $125,000 beginning with crop year 1994. The Secretary is authorized to issue regulations defining the term person. Such regulations shall provide for the attribution of payments for the honey program.

TITLE XI—GENERAL COMMODITIES

(1) Definitions

The Senate bill rewrites Sec. 502(4) of the 1949 Act to define "program crop" to mean a crop of wheat, corn, grain sorghum, oats, barley, upland cotton, extra long staple cotton, or rice. (Sec. 1001.)

The House amendment to Sec. 502(1) of the 1949 Act leaves the definition of "program crop" the same as current law. (Sec. 1131.)

The Conference substitute adopts the House definition of "program crop".

The Senate bill rewrites Sec. 502(2) of the 1949 Act to define "normal crop acreage" to mean the sum of the crop acreage bases established for program crops and historical oilseed plantings for a farm. (Sec. 1001.)

The House amendment contains no comparable provision.

The Conference substitute adopts the House definition of "normal crop acreage".

The Senate bill rewrites Sec. 502(3) of the 1949 Act to define an "oilseed" crop to mean a crop of soybeans, sunflowers, rapeseed, canola, safflower seed, flaxseed or other oilseeds, as designated by the Secretary. (Sec. 1001.)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate definition of an "oilseed" crop with an amendment to include mustard seed.

(2) Farm acreage bases

The Senate bill rewrites Sec. 503(b) of the 1949 Act to require the county committee to determine the normal crop acreage for a farm for a crop year, in accordance with regulations prescribed by the Secretary. (Sec. 1001.)

The House amendment of Sec. 503(b) of the 1949 Act requires the county committee, in accordance with regulations prescribed by the Secretary, to determine the flexible acreage base for a farm for a crop year. Such flexible acreage base shall include the sum of (1) the number of acres equal to the sum of the crop acreage bases for the farm; and (2) the average of the acreage on the farm planted and considered planted to soybeans, sunflower, canola, rapeseed, safflower, flaxseed, mustard seed, and any other oilseeds the Secretary may designate, in each of the 5 crop years immediately preceding the year for which the determination is made. (Sec. 1131.)

The Conference substitute deletes both provisions.

(3) Oats plantings

The Senate bill contains no provision on this issue.

The House amendment rewrites Sec. 503(d) of the 1949 Act to extend current law through the 1995 crops, with a conforming amendment to change references from "farm acreage base" to "flexible acreage base". (Sec. 1131.)

The Conference substitute adopts the Senate provision.

(4) Calculation of crop acreage bases

The Senate bill rewrites Sec. 504 (b) (1) of the 1949 Act similar to current law but also includes calculation of historical oilseed plantings. (Sec. 1001.)

The House amendment rewrites Sec 504 (b) (1) of the 1949 Act to retain current law. (Sec. 1131.)

The Conference substitute adopts the House language.

(5) Upland cotton and rice

The Senate bill accepts Sec. 504(b)(2) of the 1949 Act, thereby maintaining current law. (Sec. 1001.)

The House amendment rewrites Sec. 504(b)(1)(B) to provide that the crop acreage base for upland cotton and rice shall equal the average of the acreage planted and considered planted to such crop for harvest on the farm in each of the 3 preceding crop years. (Sec. 1131.)

The Conference substitute adopts the House provision,with an amendment allowing producers who did not participate in the upland cotton or rice programs in the 1989, 1990 and 1991 crop years to calculate their crop acreage bases for the 1991 crop (in the case of those producers who first planted in 1989) and the 1992 crop (for those producers who first planted in 1990) as the average of the acres planted and considered planted for the two previous crop years—the same calculation used for the 1986–1990 crops.

The Managers intend that the change in the method of base calculation not unfairly penalize those producers who began to build base in the 1990 crop year. For this reason, producers on a farm with no upland cotton or rice base who planted outside of the program in 1990 and certified their acreage and continue to do so in 1991 for the purpose of establishing upland cotton or rice crop acreage base will be subject to the crop acreage base provisions of the Food Security Act of 1985 for the 1992 crop.

(6) Acreage considered planted

The Senate bill rewrites Sec. 504(c) of the 1949 Act to provide that acreage considered planted includes—

(1) any reduced, set-aside, and diverted acreage, (same as current law except deletes reference to set-aside;)

(2) any acreage that producers were prevented from planting because of a disaster, (same as current law;)

(3) acreage equal to the difference between the permitted acreage for a program crop and the acreage planted to a crop, if the acreage considered to be planted is devoted to conservation uses or the production of commodities permitted by the Secretary (same as current law;)

(4) includes acreage equal to the difference between the permitted acreage for a program crop and the acreage planted to the crop, if the acreage considered to be planted is devoted to the production of commodities in accordance with the planting flexibility provisions, in lieu of the current 20% planting provision;

(5) determines what is to be included to establish a fair and equitable crop acreage base, (same as current law);

(6) the permitted acreage for the crop, if producers certify that no acreage on the farm was planted to the crop (or any fruit & vegetable crop (including potatoes and edible beans) not designated as an industrial or experimental crop by the Secre-

tary) and forgo receiving payments under the program established under title I of the 1949 Act. (Sec. 1001.)

The House amendment rewrites Sec. 504(b)(2) of the 1949 Act to provide that acreage considered planted includes—

(1) same as current law; (See Senate (1) above)

(2) same as Senate (2);

(3) same as Senate (3);

(4) acreage designated as flexible crop acreage, other than that portion designated from acreage on the farm planted or considered planted to minor oilseeds;

(5) same as current law;

(6) no comparable provision; and

(7) any acreage on the farm for which the crop acreage base was adjusted because of a condition or occurrence beyond the control of the producer pursuant to section 504(e). (Sec. 1121.)

The Conference substitute adopts the Senate provisions on (1), (2), and (3). The substitute adopts the House provision on (4), (5), and (7), and the Senate provision on (6) with an amendment to include the same list of permissible crops as in the triple-base option.

(7) Prohibition on increase in crop acreage bases

The Senate bill rewrites Sec. 504(g) of the 1949 Act to prohibit a producer who receives a deficiency payment for any program crop from using the acreage planted or considered planted to any program crop or oilseed on the farm in the crop year to increase any crop acreage base established for the farm in a subsequent crop year. (Sec. 1001.)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate language, with an amendment which deletes oilseed crops from the provision.

It is not the intent of the Managers that producers use the flexiblity provisions to increase crop acreage base.

(8) Adjustment of crop acreage bases

The Senate bill contains no provision on this issue.

The House amendment rewrites Sec. 504(e) of the 1949 Act to authorize the county committee to adjust any crop acreage base for any program crop for any farm if such crop acreage base would otherwise be adversely affected by a condition or occurrence beyond the producer's control. (Sec. 1131.)

The Conference substitute adopts the House provision.

(9) Planting flexibility

The Senate bill rewrites Sec. 505(a) and Sec. 505(c) of the 1949 Act to permit a producer to plant a commodity, other than the program crop for which crop acreage base is established, on the crop acreage base in an amount not to exceed 25% of the crop acreage base. (Sec. 1001.)

The House amendment rewrites Sec. 503(c)(1) of the 1949 Act to require the Secretary to permit producers on a farm to designate up to 25% of the flexible acreage base for the crop year as flexible crop acreage, which may be planted to crops specified in the Act. (Sec. 1131.)

The Conference substitute adopts the Senate provision with an amendment. The Senate provision would allow producers to plant up to 25 percent of the crop acreage base to any commodity, except fruits and vegetables (including potatoes and dry edible beans) in exchange for a reduction in maximum payment acres. This provides for an increase in planting flexibility in addition to triple-base acreage of 10 percent. In exchange for planting something other than the program crop for which the crop acreage base is established, the producer would not be allowed to receive deficiency payments on that flexed acreage.

The Conference substitute also requires that if the Secretary estimates that the national average price of soybeans the following marketing year for soybeans would be less than 105 percent of the nonrecourse loan level for soybeans if the planting of soybeans were allowed on up to 25 percent of the crop acreage base, the quantity of the crop acreage base that may be planted to soybeans under this section may not exceed 15 percent of the crop acreage base.

Other provisions in the Act, or in the budget reconciliation act for 1991, provide for a mandatory reduction in payments on 15 percent irrespective of whether the producer plants the program crop or not. It is the intention of the Managers that the so-called "triple base" program be operated in conjunction with the 25 percent flexibility provision. In other words, a producer is allowed full planting flexibility on 25 percent of the crop acreage base. On 15 percent of that 25 percent, the producer is ineligible for program payments. On the remaining 10 percent of the 25 percent flexibility a producer has the option of planting something other than the program crop, but the producer is required to forgo payments. In other words, the bill provides 25 percent flexibility, not 40 percent flexibility.

(10) Notification of permissible crops for planting on "flex" acres

The Senate bill contains no provision on this issue.

The House amendment rewrites Sec. 503(c)(2) of the 1949 Act to require the Secretary, with regard to commodities that may be planted on flexible crop acreage, to make a determination in each crop year of the commodities that will qualify for planting on flexible acres and to publish a proposed list of such commodities in advance of making a final determination granting the authority to producers to plant such commodities. (Sec. 1131.)

The Conference substitute adopts the House provision, with an amendment that the Secretary publish a list of crops that may not be planted on flexible crop acreage.

The Managers intend that, for the purposes of this Act, popcorn, as a field crop, may not be considered to be a vegetable. Further, the Managers intend that peas and lentils be considered to be dry edible beans and that they be precluded from being planted on flexible acreas.

(11) Farm program payment yields

The Senate bill rewrites Sec. 506(a) of the 1949 Act to read the same as current law. (Sec. 1001.)

The House amendment rewrites Sec. 505(a) of the 1949 Act to require the Secretary to establish of a farm program payment yield for each farm for each program crop for each crop year. (Sec. 1131.)

The Conference substitute adopts the House provision.

(12) Offset of costs of the use of actual yields to establish feed grain program payment yields

The Senate bill contains no provision on this issue.

The House amendment rewrites Sec. 505(e) of the 1949 Act to require the Secretary, in order to offset any cost of using actual yields in establishing farm program payment yields for feed grains (as authorized under the amended section 505(a) of the 1949 Act, described above), to increase the uniform percentage reduction to the crop acreage base for each crop of feed grains under an acreage limitation program by an amount sufficient to offset such costs. (Sec. 1131.)

The Conference substitute adopts the Senate provision.

(13) Irrigated yields

The Senate bill rewrites Sec. 506(f) of the 1949 Act to prohibit the Secretary from establishing farm program payment yields based on yields for irrigated land, as opposed to yields for non-irrigated land, for any acreage that was not irrigated prior to the beginning of the 1991 crop year. (Sec. 1001.)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision. However, it is the intent of the Managers that the Secretary exercise his discretionary authority to prohibit the establishment of farm program payment yields based on yields on irrigated acres, as opposed to yields on non-irrigated acres, for any acres not irrigated prior to the 1991 crop year.

(14) Payment limitations: In general

The Senate bill rewrites Sec. 1001 of the FSA to extend the provisions of this section through the 1995 crop year. (Sec. 1011.)

The House amendment substantially rewrites Sec. 1001 of the FSA and extends its provisions through the 1995 crop year. (Sec. 1101.)

The Conference substitute adopts the Senate provision.

(15) Marketing loan gains, loan deficiency, inventory reduction, and Findley payments: $100,000 limit

The Senate bill contains no comparable provision.

The House amendment rewrites Sec. 1001(1) of FSA 85 by adding a new subparagraph (B) to provide, for each of the 1991 through 1995 crops, that the total amount of payments that a person shall be entitled to receive under one or more of the annual programs for wheat, feed grains, oilseeds, upland cotton, extra long staple cotton, and rice shall not exceed $100,000. For purposes of this subparagraph, the term "payments" includes—

(A) any gain realized by a producer from repaying a loan for a crop of wheat, feed grains, oilseeds, upland cotton, rice or any other commodity at a lower level than the original loan level established under the 1949 Act (marketing loan gains);

(B) any loan deficiency payment received for a crop of wheat, feed grains, oilseeds, upland cotton, or rice under 1949 Act;

(C) any inventory reduction payment received for a crop of wheat, feed grains, upland cotton, or rice under the 1949 Act; and

(D) any deficiency payment received for a crop of wheat or feed grains under the 1949 Act as the result of a reduction of the loan level for such crop (Findley payments). (Sec. 1101(a)(1)(C).)

The Conference substitute adopts the House provision with an amendment changing the limit to $75,000 which applies to only to the payments and gains under (A), (B), and (D), excluding honey.

(16) Overall limitation on payments: $250,000

The Senate bill rewrites Sec. 1001(2)(A) FSA 85 to (1) make the section applicable to the 1991 through 1995 crops, and (2) to include under the payment limitation the enumerated payments for any other commodity for which a program is established under the 1949 Act. Currently section 1001(2)(A) only applies to those non-enumerated commodities where producers reap marketing loan gains. (Sec. 1011(a)(2) and (3).)

The House amendment amends Sec. 1001(2)(A) FSA 85 the same as the Senate bill and, in addition, (1) includes within the overall payment limitation payments made pursuant to (A) the oilseeds program established under the 1949 Act, and (B) the wool and mohair program established under the National Wool Act of 1954, and (2) reduces the overall payment limitation to $200,000. (Sec. 1101(a)(2).)

The Conference substitute adopts the Senate provision, but does not include wool, mohair, or honey payments or benefits.

(17) Payments included within overall limitation

The Senate bill rewrites Sec. 1001(2)(B) of FSA 85 with an amendment to include loan deficiency payments received for a crop of oilseeds under the 1949 Act in the overall payment limitation, and to make other conforming changes. (Sec. 1101(a)(3).)

The House amendment rewrites Sec. 1001(2)(B) of FSA 85 to include among the payments under the overall payment limitation, in addition to those detailed in sections 1001(1) and 1001(2)(A), above, any marketing loan gains realized by a producer from repaying a loan for a crop of honey at a lower level than the original loan level established under the 1949 Act. (Sec. 1101(a)(3).)

The Conference substitute adopts the Senate provision.

(18) Definition of a person for payment limitation purposes

The Senate bill contains no change in current law.

The House amendment rewrites Sec. 1001(5)(B)(i) of the FSA 85 to—

(I) include in subclause (I) the requirement that the term person also include, except for purposes of deficiency and land diversion payments, any individual holding a substantial beneficial interest in any entity described in subclause (II); and

(II) provide that only for purposes of deficiency and land diversion payments will any entity described in subclause (II) be considered a separate person for payment limitation purposes. (Sec. 1101(a)(4) and (5).)

[NOTE: The effect of these amendments is to provide that all farm program payments, except deficiency and land diversion payments, would be attributable to individuals, while deficiency and land diversion payments would continue to be attributed to either individuals or to the entities described under subclause (II), as under current law.]

The Conference substitute deletes the House provision.

(19) Payments to irrevocable trusts

The Senate bill rewrites Sec. 1001(5)(B)(ii) of FSA 85 by adding a new subclause (III) to provide that to be considered a separate person under the payment limitation rules, an irrevocable trust must not (1) allow for modification or termination of the trust by the grantor, (2) allow the grantor to have any future, contingent, or remainder interest in the corpus of the trust, or (3) provide for the transfer of the corpus of the trust to the remainder beneficiary in less than 20 years after the trust is established, except where the transfer is contingent on the beneficiary achieving majority or on the death of the grantor or income beneficiary. (Sec. 1011(e).)

The House amendment rewrites Sec. 1001(5)(B) of FSA 85 by providing that regulations defining the term "person" for payment limitation purposes shall prohibit an irrevocable trust from being eligible to receive any farm program payments. (Sec. 1101(a)(6) and (7) (with respect to the new clause (vi) added by paragraph (7).)

The Conference substitute adopts the Senate provision with an amendment which inserts "at least the age of" before the word "majority".

The Managers intend that the Secretary carefully scrutinize all irrevocable trusts which receive payments under this Act to ensure that the trusts are legitimate entities and have not been created solely for the purpose of evading the payment limitations established in this section.

(20) Eligibility of married couples for program payments

The Senate bill rewrites Sec. 1001(5)(B)(iii) of FSA 85 to provide another exception to the rule that the husband and wife in a married couple be considered as one person in the case of any married couple consisting of spouses who do not hold, directly or indirectly, a substantial beneficial interest in more than one entity (including the spouses themselves) engaged in farm operations that also receives farm program payments as separate persons. If they fall within this exception, the spouses may be considered as separate persons if each spouse meets the other requirements necessary to be considered a separate person under title X of FSA 85 Act. (Sec. 1011(c).)

The House amendment rewrites Sec. 1001(5)(B) of FSA 85 to authorize the Secretary to modify regulations defining the term "person" for payment limitation purposes to provide that, with respect to any married couple, the husband and wife shall be considered to be one person, except—

(I) in the case of a married couple which owns or operates a farming operation otherwise eligible for deficiency and land diversion payments, the couple may designate one spouse as the "primary recipient" for the purpose of receiving such payments and the other spouse (secondary recipient) may be considered to be a separate person for the purpose of receiving farm program payments not to exceed the $50,000 per-person limitation, provided such other spouse makes a significant contribution of active personal management or personal labor; or

(II) in the case of a married couple consisting of spouses who were separately engaged in unrelated farming operations prior to marriage, each spouse shall be treated as a separate person with respect to the farming operation brought into the marriage by such spouse, so long as such spouse continues to provide a significant contribution of active personal management or labor in relation to the farming operation brought into the marriage; or

(III) in the case of a married couple wherein, following marriage, either of the spouses becomes the owner of an unrelated farming operation by way of gift, devise, or descent, such spouse may be treated as a separate person actively engaged in farming with respect to the acquired farming operation, so long as such spouse provides a significant contribution of active personal management or labor in relation to the farming operation so acquired. (Sec. 1101.)

The Conference substitute adopts the Senate provision with an amendment to make this section applicable at the discretion of the Secretary. The Conference substitute does not change the provision of current law which allows a married couple who were engaged in separate farming operations before marriage and continue to operate separately to be considered separate persons for the purposes of payment limitations.

(21) Corporations and stockholders as separate persons

The Senate bill contains no provision on this issue.

The House amendment rewrites Sec. 1001(5)(C) of FSA 85 to make it applicable only for purposes of deficiency payments and land diversion payments described in Sec. 1001(1)(A), as amended. (Sec. 1101.)

The Conference substitute deletes the House provision.

(22) Treatment of cash rent tenants

The Senate bill contains no provision on this issue.

The House amendment rewrites Sec. 2 of the Act of December 11, 1989 to make it effective beginning with the 1990 crops. (Sec. 1101(c).)

The Conference substitute adopts the House provision.

(23) Three entity rule

The Senate bill contains no provision on this issue.

The House amendment rewrites Sec. 1001(A)(a)(1) to limit the section's application to deficiency payments and land diversion payments described in Sec. 1001(1)(A), as amended. (Sec. 1101.)

The Conference substitute deletes the House provision.

(24) Minimum (de minimis) beneficial interest

The Senate bill rewrites Sec. 1001A(a)(2) of the FSA '85 to reduce the minimum beneficial to 5% of all beneficial interests in the entity. (Sec. 1011.)

The House amendment rewrites Sec. 1001A(a) of the FSA '85 by striking paragraph (2). (Sec. 1131.)

The Conference substitute provides that the Secretary establish a minimum beneficial interest level between 10% and 0%. It further provides that the Secretary may reduce this level on a case by case basis.

(25) Treatment of multiyear farm program contract payments

The Senate bill rewrites FSA 85 to add a new Sec. 1001F, such that—

(1) the Senate bill—

(A) applies to the transfer of ownership of "land" as opposed to "farming operation; and

(B) applies only to conservation reserve program contract payments, instead of all multiyear farm program contract payments;

(2) prohibiting such payments from exceeding the amount to which the previous owner was entitled to receive under the terms of the contract at the time of the gift or the death of the prior owner; and

(3) the Senate bill has no provision comparable to House (3) below, limiting the reduction in such payments to the new owners. (Sec. 1011(i).)

The House amendment rewrites FSA 85 to add a new Sec. 1001D to provide for the specified treatment of multiyear farm program contract payments by—

(1) authorizing the Secretary of Agriculture, in the event of a transfer of ownership of a farming operation by way of gift (in anticipation of death or upon disability), devise, or descent, to continue to make to the new owner all payments which may become due and payable by virtue of any multiyear program contract which was in effect at the time of the gift or the death of the prior owner;

(2) prohibiting such payments from exceeding the amount to which the previous owner was entitled to receive under the terms of the contract at the time of the gift or the death of the prior owner; and

(3) requiring that payments be made to the new owner of a farming operation without regard to any limitation on farm program payments received by such new owner in their capacity as a separate person actively engaged in farming with regard to any other farming operation, including the operation subject to the multiyear program payment contract. (Section 1101(e).)

The Conference substitute adopts the Senate provision.

(26) Information regarding payments in excess or violation of payment limitations

The Senate bill adds a new Sec. 1001D to FSA 85 that requires USDA to maintain a database of individuals receiving in excess of the statutory limitation of $50,000 in deficiency and land diversion payments under Sec. 1001(1)(A) of FSA 85, to publish a report concerning this information, and to submit a report to Congress concerning violations of the limitations and restrictions, including the names of individuals who are found to be in violation. (Sec. 1011(g).)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

(27) Education program to foster effective application of payment limitations

The Senate bill adds a new Sec. 1001E to FSA 85 requiring USDA to carry out a payment provisions education program similar to current law except—

(1) the amendment deletes the requirement that particular emphasis be focused on the amendments made by Omnibus Reconciliation Act of 1987;

(2) no reference is made to the date by which such a program must be implemented; and

(3) the Senate bill further requires that the State ASC office shall make the initial determination concerning the application of payment limitations to farm operations consisting of more than 5 persons, subject to review by the Secretary. (Sec. 1011(h).)

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision.

(28) Authorization

The Senate bill rewrites Sec. 107C of the 1949 Act to—

(1) make it effective for the 1991 through 1995 crops (Sec. 1012(a).); and

(2) provides for payments for underestimated market prices. If the deficiency payment payable to a producer for a crop, as finally determined by the Secretary, is less than the projected deficiency payment determined for the purposes of calculating the advance deficiency payment, the Secretary shall make a payment to the producer equal to 20% of the difference between the final deficiency payment and the projected deficiency payment. (Sec. 1012(b).)

The House amendment rewrites Sec. 107C of the 1949 Act, making this section applicable for the 1991 through 1995 crops. (Sec. 1103.)

The Conference substitute adopts the House provision.

(29) Repayment of 1988 and 1989 advance deficiency payments

The Senate bill adds a free standing provision of law to govern the repayment of advance deficiency payments for producers who received an advance deficiency payment for the 1988 or 1989 crops, who must refund at least $1,500 of those payments, who reside in a county (or a county contiguous to a county) where farming operations have been substantially affected by natural disaster as evidenced by a production drop of at least 30% during 2 of the 3 crop years 1988, 1989, & 1990, and whose total production of the commodity for 1988 and 1989 is less than 65% of the farm program payment yield times acreage planted for harvest and acreage prevented from being planted. (Sec. 1012(c).)

The House amendment provides no directly comparable provision, however, Sec. 1004 of the House amendment requires the Secretary to recalculate refunds of advance deficiency payments by producers of the 1988 or 1989 crops of feed barley based on a formula that include the human food values of barley. (Sec. 1004.)

The Conference substitute adopts the Senate provision with an amendment adding a financial needs test.

(30) Commodity Credit Corporation (CCC) sales price restrictions

The Senate bill rewrites Sec. 407 of the 1949 Act to—

(a) authorize the CCC to sell any farm commodity at any price not prohibited by this section.

(b) require CCC to take into consideration several factors in determining sales policies for basic agricultural commodities or storable nonbasic commodities. CCC should consider the establishment of policies with respect to prices, terms, and conditions as will not discourage or deter manufacturers, processors, and dealers from acquiring and carrying normal inventories of the commodity of the current crop.

(c)(1) prohibit CCC from selling any basic agricultural commodity at less than 115 percent of the lower of—

(A) the current national average price support loan rate for the commodity adjusted for current market differentials; or

(B) the loan repayment level.

(c)(2) permit CCC to sell extra long staple cotton for unrestricted use at such price as it determines is appropriate to maintain and expand export and domestic markets.

(c)(3) prohibit CCC from selling oilseeds at less than the lower of—

(A) 105% of the current national average price support loan rate for the oilseed, adjusted for market differentials; or

(B) 115% of the loan repayment level.

(c)(4) prohibit CCC from selling its stocks of wheat or feed grains at less than 105% of the established price whenever the producer reserve program for wheat and feed grains is in effect.

(c)(5) require CCC to sell upland cotton at same price CCC sells upland cotton for export, but not less than the minimum sales price.

(d) provide for exemptions from the sales price restrictions, as under current law.

(e) authorize CCC, to make available any commodity owned or controlled by it in accordance with title VI of the 1949 Act or for use in relieving distress, disaster, and livestock emergency areas, if such use does not displace or interfere with normal marketing of agricultural commodities and if the costs to CCC in connection with making the commodity available are limited.

(f) provide that CCC's sales price restrictions shall not apply to sales of commodities that are in the interest of the effective and efficient conduct of the operations of CCC because of the small quantities involved, etc, and to authorize CCC to sell basic commodities on a competitive bid basis.

(g) define sales for export to include—

(1) sales made on condition that identical commodities be exported; and

(2) sales made on condition that commodities of the same kind and of comparable value or quantity be exported.

The House amendment rewrites, effective only for the marketing years for the 1991 through 1995 crops, Sec. 407 of the 1949 Act to—

(1) provide that CCC may not sell any of its stocks of wheat, corn, grain sorghum, barley, oats, and rye at less than (A) 150 percent of the current national average loan rate for the commodity, adjusted for current market differentials + RCC, or (B) if the Secretary permits the repayment of loans made for a crop of the commodity at a rate that is less than the loan level for such crop, 150 percent of the average loan repayment rate (Sec. 1104(1).);

(2) require that, if CCC makes purchases of commodities to offset adverse consequences of sales at less than prescribed prices, the purchase price may not exceed CCC's minimum sales price for such commodities for unrestricted use (Sec. 1104(2).); and

(3) direct CCC to sell upland cotton for unrestricted use at the same prices as it sells upland cotton for export, but at not less than 115 percent of the lower of the loan rate or the loan repayment rate in effect for the week in which it is sold, adjusted for market differentials + RCC. (Sec. 103.)

The Conference substitute adopts the House provision with an amendment for cotton and rice setting the resale price at 115% of the loan repayment rate, taking into account location and reasonable carrying charges. Oilseed resale prices are the lower of 105% of the loan rate or 115% of the loan repayment level.

It is the intent of the Managers that such resale price restrictions include reasonable carrying charges, as is the case in current law. In addition, it is the intent of the Managers that in determining the sales price restriction for oilseeds the Secretary may determine the effective current national average price support by taking into account loan origination fees assessed under this Act or an other provision of law.

(31) Multiyear set-aside contracts for program crops

The Senate bill rewrites Sec. 1010 of FSA 85 to extend the authority for multiyear set-asides through the 1991-95 crops. (Sec. 1018.)

The House amendment rewrites Sec. 1010 of FSA 85 to—

(1) require the Secretary to enter into multiyear set-aside contracts, subject to appropriations;

(2) extend the authority for such contracts through the 1995 crops;

(3) require that 50 percent of the set-aside acreage under such a contract be devoted to a perennial cover crop or an annual cover crop each year that is capable of naturally improving water quality, improving habitat for wildlife, or making forage available for drought emergencies, unless water conservation considerations or other crop management considerations identified in a conservation plan prepared for such land require otherwise, and requiring that seasonal flooding with shallow water be considered to be acceptable cover crop for the purpose of this section;

(4) prohibit haying (as well as grazing, as provided under current law) on land under such multiyear set-aside contracts, except in areas of a major disaster;

(5) remove the requirement that such a program be carried out through CCC, and instead authorize the appropriation of necessary funds for the program; and

(6) add a new requirement that, in order to be eligible to enter into a multi-year set-aside agreement and receive cost share assistance under section 1010, a producer must designate the same cropland each crop year for all agricultural set-aside and acreage limitation programs that are involved in multi-year set-aside programs, except that those croplands necessary for normal crop rotation or those lands used for changes in farm operations will be exempt from this requirement. Each producer must establish on such acreage a perennial cover crop or an annual cover crop that is capable of naturally improving soil fertility, reducing water problems, improving water quality, improving habitat for wildlife or making forage available for drought emergencies, unless water conservation considerations or other crop management considerations identified in a conservation plan for such land require otherwise. (Sec. 1106.)

The Conference substitute adopts the Senate provision with an amendment addressing conserving use acreage in each appropriate commodity Title.

(32) Food security wheat reserve

The Senate bill rewrites Sec. 302 of the Food Security Wheat Reserve Act of 1980—

(1) in subsection (i), to extend the reserve through 1995; and

(2) in a new subsection (j), to require the Secretary to take whatever steps are necessary to ensure that at least 75 million bushels are maintained in the reserve if, for each of the 1991-95 marketing years for wheat, it is determined that the season average price for wheat during the marketing year is less than 140% of the loan rate for wheat. (Sec. 1020.)

(3) No comparable provision.

The House amendment rewrites Sec. 302 of the Food Security Wheat Reserve Act of 1980—

(1) to extend the reserve through 1995 (Sec. 1215);

(2) no comparable provision; and

(3) to add a new subsection (b)(2)(B) to require the Secretary, not later than 18 months after the release of stocks from the reserve, to replenish the reserve—

(A) through purchase of wheat, to the extent of the appropriations available; or

(B) by designating an equivalent quantity of wheat from uncommitted CCC stocks, to the extent sufficient appropriations are not available, except to the extent that the Secretary reports to the Agriculture Committees that there are not sufficient uncommitted CCC stocks available. (Sec. 1109.)

The Conference substitute adopts the House provision.

(33) Special grazing and hay program

The Senate bill rewrites Sec. 109(a) of the 1949 Act to extend the special grazing and hay program through 1995. (Sec. 1022.)

The House amendment provides no comparable provision.

The Conference substitute adopts the House provision.

(34) Advance announcement of programs

The Senate bill rewrites Sec. 406(b) of the 1949 Act to extend through the 1995 crop year, current law regarding the advance announcement of the final terms of the price support, production adjustment and payment programs for wheat, feed grains, upland cotton and rice. (Sec. 1022.)

The Senate bill also rewrites Sec. 406(b) of the 1949 Act to authorize the Secretary to offer an option to producers of the 1996 crop of wheat, feed grains, upland cotton, extra long staple cotton, rice, or oilseeds and to dairy producers for the 1996 calendar year to participate in commodity price support, production adjustment, and payment programs based upon the terms and conditions as are provided in sections 101(h), 101A, 103A, 105A, 107A, 107C, and 204 of the 1949 Act, as amended by the 1990 Farm Bill. Any established price or loan and purchase level made available in accordance with this section shall be established at the same level as that established for the 1995 crop or, in the case of milk, for the 1995 calendar year.

The Secretary may offer each of these programs if the Secretary has not made final announcement of the terms of the commodity price support, production adjustment, or payment programs for the 1996 crops of wheat, feed grains, cotton, rice, or oilseeds, or the 1996 calendar year for dairy on or before the later of—

(A) in the case of wheat, June 1, 1995; and
(B) in the case of feed grains, September 30, 1995;
(C) in the case of upland cotton, November 1, 1995;
(D) in the case of extra long staple cotton, December 1, 1995;
(E) in the case of rice, January 31, 1996;
(F) in the case of oilseeds, July 15, 1995; and
(G) in the case of dairy, November 1, 1995.

Producers may not participate in this program unless legislation has been enacted subsequent to the date of enactment of the 1990 farm bill that provides for loans and purchases for the 1996 crop of wheat, feed grains, cotton, rice, or oilseeds, or for dairy for the 1996 calendar year.

CCC may be used to carry out this section. (Sec. 1033.)

The House amendment rewrites Sec. 406(b) of the 1949 Act to extend through the 1995 crop current law regarding the advance announcement of the final terms of the price support, production adjustment and payment programs for wheat and feed grains, and deleted references to upland cotton and rice. (Sec. 1111.)

The House amendment further rewrites Sec. 406(b) of the 1949 Act to provide that, in the case of the 1996 crop, the Secretary shall make available to producers of a commodity who exercise the election provided in § 406 and who comply with the terms and conditions of any acreage reduction program established for the 1995 crop of the commodity—

(1) loans and purchases for the 1996 crop under legislation enacted subsequent to the date of the 1990 farm bill, except that if such subsequent legislation provides that loans and purchases shall not be made with respect to the 1996 crop of a commodity, the Secretary may make available to producers loans and purchases at the level determined for the 1995 crop, or if no subsequent legislation is enacted providing that loans and purchases shall be made for the 1996 crop of any commodity, and if loans and purchases are available to producers of such commodity under laws previously enacted, none of the provisions of this section shall apply to the 1996 crop;

(2) deficiency payments calculated on the basis of the established price for the commodity determined for the 1995 crop; and

(3) payments equal to the difference between the level of loans and purchases that the producers are eligible to receive under (1) above for such commodity for the 1995 crop and the level of loans and purchases determined for such commodity for the 1995 crop.

Payments authorized by (3) above shall be made in cash or in the form of in-kind commodities. (Sec. 1111(4).)

The Conference substitute adopts the Senate provision.

(35) Normal supply

The Senate bill provides a freestanding section which is substantially identical to Sec. 1019 of FSA 85. (Sec. 1026.)

The House amendment rewrites Sec. 1019 of FSA 85 to extend current law through the 1995 crop year. (Sec. 1114.)

The Conference substitute adopts the House provision.

(36) National agricultural cost of production standards review board

The Senate bill rewrites Sec. 1006(a)(1) of the 1981 Act to require that the seven producer members of the Board, individually or as a group, are engaged in the commercial production of each of the program crops and in one or more of the other various ag commodities grown in the United States (Sec. 1027(a).)

The House amendment extends current law.

The Senate bill also rewrites Sec. 1014 of the 1981 Act to extend the cessation of the Board through September 30, 1995. (Sec. 1027(b).)

The House amendment also rewrites Sec. 1014 of the 1981 Act to extend the cessation of the Board to September 30, 1995. (Sec. 1115.)

The Conference substitute adopts the Senate provision.

(37) Adjustment of support prices

The Senate bill rewrites Sec. 403 of the 1949 Act to—

(a) authorize the Secretary to make appropriate adjustments in the support price for any commodity (excluding cotton) for differences in grade, type, quality, location and other factors. Such adjustment shall, so far as practicable, be made in such manner that the average support price for the commodity will be equal to the level of support under the 1949 Act;

(b) authorize the Secretary to make appropriate adjustments in the support price for cotton for differences in quality factors and location. In determining the premiums and discounts for quality factors for the upland cotton loan program, the Secretary shall give equal weight to loan differences for the preceding crop and market differences for such crop in the designated U.S. spot markets; and

(c) limit the adjustment in loan rates for transportation differentials for the 1990 through 1995 crops of wheat and feed grains such that no adjustment in the loan rate for a region, State, or county may increase or decrease the regional, State or county loan rate from the level established for the previous year by more than the percentage change in the national average loan rate plus or minus 2%. (Sec. 1028.)

The House amendment rewrites Sec. 403 of the 1949 Act to—

(a) same as Senate bill, except that the House amendment simply provides that "appropriate adjustments may be made", as under current law;

(b) same as Senate bill, except that the House amendment simply provides that "appropriate adjustments may be made", as under current law; and

(c) no comparable provision to the Senate. (Sec. 108.)

The Conference substitute adopts the Senate provision with an amendment on (c) to increase the limit on transportation differentials to three percent.

(38) Producer reserve program for wheat and feed grains

The Senate bill rewrites Sec. 110(a) of the 1949 Act to authorize the Secretary to carry out a farmer owned reserve program, as under the current law in Sec. 110(a), except the Senate bill—

Strikes the limitation that the reserve not provide for excessive carryover stocks, and strikes the requirement that the Secretary establish safeguards to assure that wheat and feed grains held under the program not be used to unduly depress, manipulate, or curtail the free market. (Sec. 1029.)

Rewrites Sec. 110(l) to provide, as under current law, that the authority provided by Sec. 110 is in addition to other Secretarial authorities to carry out producer loan and storage operations. (Sec. 1029.)

New Sec. 110(b) adds a requirement that the Secretary provide original or extended price support loans for wheat and feed grains whenever the price of wheat or feed grains is less than 140% of the loan rate. (Sec. 1029.)

Rewrites Sec. 110(d) to require the Secretary to provide storage payments to producers for storage of wheat or feed grains in such amounts and under such conditions as appropriate to encourage participation. Such payments shall be available at the end of each quarter. The Secretary may cease such payments whenever the price of wheat or feed grains is equal to or exceeds the then current established price for the commodities, and for any 90-day period immediately following the last day on which the price of wheat or feed grains was equal to or in excess of the established price. (Sec. 1029.)

Further rewrites Sec. 110(b) to require that such loans shall not be less than the then current level of support under the wheat and feed grain programs. The Secretary shall provide for loans with—

(A) a maturity of not less than 3 years, with extensions as warranted by market conditions;

(B) a specified rate of interest; and

(C) payments to producers for storage. (Sec. 1029.)

Sec. 1030 requires CCC and the Secretary, to the extent practicable, to ensure that the rates of the storage payments are equivalent to average rates paid for commercial storage, taking into account the current demand for storage for commodities, efficiency, location, regulatory compliance costs, bonding requirements, and impact of user fees. There cannot be any increase in current or projected combined outlays of the CCC as a result of this provision. This provision also applies in making storage payments to commercial warehouses under the CCC Charter Act. (Sec. 1030.)

Senate bill would delete the requirement that the Secretary offer increased incentives to producers when—

(A) the quantity of stored commodities falls below the stated levels; and

(B) the market price falls below 140% of the loan rate. (Sec. 1030.)

New Sec. 110(b) further provides, as does current law, that producers shall be afforded a fair and equitable opportunity to participate in the farmer owned reserve program, taking into account regional differences at the time of harvest. (Sec. 1029.)

Rewrites Sec. 110(c) to provide that the Secretary may charge interest on the loans whenever the price of wheat or feed grains is equal or greater than the then current established price for the commodities. The interest may be charged for 90 days after the last day on which the price of wheat or feed grains was equal to or greater than the established price. The rate of interest shall not be less than that charged the CCC by the U.S. Treasury, except that the Secretary may waive or adjust the interest as appropriate to effectuate the purposes of the reserve. (Sec. 1029.)

Rewrites Sec. 110(e) to provide, similar to current law, that the Secretary may require producers to repay loans, plus accrued interest and such other charges, if emergency conditions exist that require that the commodity be made available in the market to meet urgent domestic or international needs. The Secretary must report the reasons for this determination to the President, and appropriate committees of Congress at least 14 days before taking the action. (Sec. 1029.)

Sec. 110(g) requires that the Secretary announce the terms and conditions of the reserve program as far in advance of making loans as practicable. Such announcement shall specify the quantity of wheat or feed grains to be stored under this program that the Secretary determines appropriate to promote the orderly marketing of the commodities. (Sec. 1029.)

Sec. 110(f) authorizes the establishment of maximum quantities of wheat and feed grains that may receive loans and storage payments under the reserve program as follows:

(1) The quantities may not be established at less than 300 million bushels of wheat and 600 million bushels of feed grains.

(2) The quantities may not be established at more than—

(A) 30% of the estimated total domestic and export usage of wheat during the marketing year for the crop of wheat, as determined by the Secretary; and

(B) 15% of the estimated total domestic and export usage of feed grains during the marketing year for the crop, as determined by the Secretary.

(3) Notwithstanding paragraph (2), the Secretary may establish the upper limits at higher levels, not in excess of 110% of the levels established in paragraph (2), if the higher limits are necessary to achieve the purposes of this section. (Sec. 1029.)

The Senate bill deletes Sec. 110(f). (Sec. 1029.)

Sec. 110(h) authorizes the Secretary, with the concurrence of the owner of grain stored under this program, to reconcentrate all grain in the farmer owned reserve to be stored in commercial warehouses. Such reconcentration shall be at such points as are in the public interest, taking into account such factors as transportation and normal marketing patterns. Rotation of stocks is permitted. Secretary shall maintain quality under regulations that assure that the holding producer or warehouseman shall, at all times, have available for delivery at the designated place of storage both the quantity and quality of grain covered by the commitment. (Sec. 1029.)

Sec. 110(i) provides that when grain is stored under this section, the Secretary may buy and sell at an equivalent price, allowing for the customary location and grade differentials, substantially equivalent quantities of grain in different locations or warehouses to the extent needed to properly handle, rotate, distribute, and locate the commodities that the CCC owns or controls. The purchases to offset sales shall be made within 2 market days following the sales. The Secretary shall make a daily list available showing the price, location, and quantity of the transactions. (Sec. 1029.)

Sec. 110(j) requires the Secretary to use the CCC to fulfill the purposes of this section, and to utilize the usual and customary channels, facilities, and arrangements of trade and commerce. (Sec. 1029.)

Sec. 110(k) provides that if a producer has substituted purchased or other commodities for the commodities originally pledged as collateral for a loan made under this section, the Secretary may allow a producer to repay the loan using a generic commodity certificate that may be exchanged for commodities owned by CCC, if the substitute commodities have been pledged as loan collateral and redeemed only within the same county. (Sec. 1029.)

The House amendment rewrites, effective beginning with the 1991 crops, section 110 of the Agricultural Act of 1949—(Sec. 1116.)

(1) to make the requirement that the Secretary formulate and administer a producer reserve program contingent upon the event that the Secretary estimate for any marketing year that the ratio of ending stocks to total use for the marketing year for—

(A) wheat will be more than 40 percent; or

(B) for corn will be more than 25 percent.

(2) to reduce the minimum term of storage loans from not less than three years to not less than 18 months, and provide for one automatic 6-month loan extension upon the request of the producer, and further extensions at the discretion of the Secretary;

(3) to provide (A) that payments to producers be made in such amounts as appropriate to encourage producers to participate in the program, taking into account, to the extent practicable, the average rates paid for commercial storage in the State, and (B) that such storage payments will be made to producers at the end of the first calendar quarter after the grain enters storage;

(4) to provide that producer storage program loans may be redeemed at the discretion of the producer;

(5) to provide that the producer storage program may be designed to induce producers to redeem and market wheat or feed grains without regard to the maturity date of any loans when the market price for the commodity has attained 150 percent of the nonrecourse loan rate;

(6) to strike, as would the Senate bill, the requirement that the Secretary offer increased incentives to producers when—

(A) the quantity of stored commodities falls below the stated levels: and

(B) the market price falls below 140% of the loan rate.

Retains Sec. 110(c) as in current law, but adds a provision, as does the Senate bill—

(6) to authorize the Secretary to waive the repayment of principal or interest on loans made under this section if market conditions warrant;

(7) to amend subsection (e)(2) to provide—

(A) that the total quantity of wheat stored under storage programs established under this section may not exceed 300 million bushels; and

(B) that the total quantity of feed grains stored under storage programs established under this section may not exceed 600 million bushels. (Sec. 1116.)

The Conference substitute adopts the Senate provision with the following amendments:

(1) Conditions for entry are triggered when (a) price or (b) stocks to use ratios are met. When both (a) and (b) occur, the Secretary shall permit entry; when either (a) or (b) is met, the Secretary may permit entry.

Condition (a) is met when the average price for the previous 90 days exceeds 120% of the loan rate.

Condition (b) is met when the projected stocks-to-use ratio for the current marketing year equals or exceeds 37.5% for wheat, and 22.5% for corn.

No direct entry is allowed: producers must first take out an original 9-month loan.

(2) Conditions of exit are—

(a) Producers may exit at their discretion.

(b) Storage stop is triggered when the 5-day price equals or exceeds 95% of the target price for wheat and corn.

(3) Interest and CCC resale—

(a) Interest accrues when the 5-day average price equals or exceeds 105% of the target price.

(b) CCC resale is triggered when the 5-day average price equals or exceeds 150% of the loan rate.

(4) Stock levels—

The maximum quantities of wheat in FOR shall be established at not less than 300 million bushels nor more than 450 million bushels. The maximum quantities of feed grains in FOR shall be established at not less than 600 million bushels nor more than 900 million bushels.

(5) Period of loan—

The duration of the loan is three years, inclusive of the 9-month regular loan, with one 6-month extension at the discretion of the Secretary.

The Managers feel that the FOR has not been operated in an efficient manner in the recent past. The changes made in this section are intended to provide for a more moderate transition of grain into and out of the reserve. The Managers note that the program has, in the past, had the effect of completely isolating the reserve from the market—some wheat from the 1978 crop remains in reserve at the time this Act is being completed. The Managers intend that the changes made in this Act will allow for a more orderly flow of grain into and out of the FOR. Accordingly, the amendments adopted in the Conference substitute become effective December 1, 1990, to govern the administration of the FOR as of that date.

The amendments adopted to Sec. 110 of the Agricultural Act of 1949, provide that the Secretary may allow entry into the FOR only if one of two conditions exist: (1) if the wheat projected stocks-to-use ratio at the end of the marketing year exceeds 37%, and if the corn projected stocks-to-use ratio at the end of the marketing year exceeds 22.5%, or (2) the market price of wheat or corn is less than 120% of the loan rate for the crop of that commodity. Such determinations are to be made by the Secretary as soon as practicable prior to the expiration of the regular 9 month price support loans. If both conditions (1) and (2) above occur, the amendments require the Secretary to permit the entry of grain into the FOR.

The current statutory restrictions on access to FOR grain severely restrict usefulness of the FOR. The amendments adopted in the Conference substitute will allow producers to gain access to FOR-held grain to encourage producers to redeem grain from the FOR as market conditions and individual marketing plans warrant. The amendments allow all producers to redeem FOR loans at any time without imposition of penalties, as exists in current law. The amendments also provide that once market prices reach 95% of the current established price for the commodity, storage payments will end, and loans extended for FOR grain will begin accruing interest once market prices each 105% of the established target price for the commodity. FOR contracts may be extended only after the maturity of a regular Commodity Credit Corporation price support loan and such contracts may not extend for more than 36 months, including the 9 months of the original price support loan. However, at the Secretary's discretion, FOR loans may be extended for one additional period of 6 months.

(39) Redemption of expired certificates

The Senate bill contains no provision on this topic.

The House amendment amends Sec. 107E(b)(3) of the 1949 Act to provide that negotiable certificates issued by CCC must enable any subsequent holders of such certificates to redeem such certificates under the same rules that apply to original holders of such certificates. (Sec. 1117(a)(1).)

Limits the application of the amendment made by Sec. 1117(a)(1) to—

(1) the 180-day period beginning on the date of enactment; and

(2) no more than $25,000 worth of certificate redemptions per person. (Sec. 1117(b).)

Requires that in no event may a person receive a payment from CCC for a certificate that is redeemed under the amendment made by Sec. 1117(a)(1) in an amount greater than the price paid for the certificate by such person. No expired certificate may be exchanged under section 1117 if the owner purchased such certificate after January 1, 1990. (Sec. 1117(c).)

The Conference substitute adopts the House provision with an amendment limiting the redemption value to $1,000 per person.

(40) Payment of interest on certificates redeemed for cash

The Senate bill rewrites Sec. 107E of the 1949 Act to require the Secretary to pay interest on the cash redemption of a commodity certificate issued by the Secretary to a producer who holds the certificate for at least 150 days. (Sec. 1015.)

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to exempt certificates used for Export Enhancement Program or Targeted Export Assistance.

(41) Producer option to receive cash in lieu of certificates

The Senate bill contains no provision on this issue.

The House amendment rewrites Sec. 1007E of the 1949 Act by adding a new subsection (c) to require the Secretary, in the case of the annual programs for wheat or feed grains, if the Secretary makes in-kind payments available to producers for any payment under any such program, to also permit producers to elect to receive such payment in cash instead of in the form of an in-kind payment. (Sec. 1117(a)(2).)

The Conference substitute adopts the Senate provision.

(42) Use of certificates to pay producers interest on loans

The Senate bill rewrites Sec. 405(b)(1) of the 1949 Act to make the paragraph effective for only the 1991 through 1995 crops. The bill also amends Sec. 1004 of FSA 85 to make permanent the addition of subsection (b) to Sec. 405 of the 1949 Act. (Sec. 1014.)

The House amendment provides no comparable provision.

The Conference substitute adopts the House provision.

(43) Procedures for disposition of stocks

The Senate bill provides no provision on this issue.

The House amendment rewrites the 1949 Act by adding a new section, Sec. 107G, governing the procedures for the disposition of stocks, to require—

(a) CCC to establish procedures for the exchange of certificates issued by CCC for commodities or funds of the CCC, including any procedures to be used by CCC to determine the value of any such commodities;

(b) the Secretary, as soon as practicable before the marketing year or season for each commodity for which there is an annual program in effect under the 1949 Act, to announce the anticipated stock disposition actions with respect to the exchange of commodity certificates for commodities owned by CCC (and reasons therefor) for that commodity for the marketing year or season;

(c) the Secretary, upon deciding to make payments to producers participating in annual programs under the 1949 Act using marketing certificates, to announce the rationale for such decision and the goals for the levels of CCC stocks; and

(d) the Secretary, upon deciding to make payments to producers participating in annual programs under the 1949 Act using marketing certificates, to allow producers to make any refund of those payments by using such certificates. (Sec. 1118.)

The Conference substitute adopts the Senate provision.

It is the intent of the Managers that the Secretary, in requesting public comment on proposed annual commodity program determinations and in making the final announcement of the provisions of such programs, include, as practicable, based on information available at the time, a statement of intended procedures for the disposition of Commodity Credit Corporation stocks during that marketing year for that crop. Such announcements should include, as practicable, policies and procedures for the issuance and redemption of CCC commodity certificates to participating producers and for third parties. The intent of the Managers is not to hinder the effective and efficient use of CCC certificates nor the disposition of CCC stocks as market conditions warrant but to ensure that such policies are well communicated to producers and to the grain marketing, processing, and exporting industry generally, so as to minimize disruptions in the grain markets and so participants in these markets can plan their marketings acordingly.

(44) Loan rate study

The Senate bill requires Secretary to conduct a study on the impact of increasing loan rates to the established price level or to the projected average cost of production level, and eliminating deficiency payments for the crop, for each of the 1992 through 1995 crops of wheat, feed grains, upland cotton, and rice. Requires Secretary to analyze the impact of such increased loan rate on exports, CCC outlays, and net farm income, and to report to the Committees on Agriculture by October 1, 1991. (Sec. 1031.)

The House amendment provides no comparable provision.

The Conference substitute adopts the House provision.

(45) Financial impact assessment

The Senate bill contains no provision on this issue.

The House amendment provides that Sec. 1119 requires the Secretary to conduct an annual assessment of the financial impact of the support levels established and announced by the Secretary under programs contained in the 1949 Act (hereafter "programs"), including an assessment of the effect of such support levels on the ability of producers to meet their financial obligations. Sec. 1119 further requires the Secretary to annually prepare a report containing the results of such assessment and submit such report to the Agriculture Committees, not later than the date of the final announcement for such programs by the Secretary for any one year. The assessment under this section, may be only for informational purposes and for Congressional oversight and may not give rise to any cause of action, be a basis for, or be used as evidence in support of, any claim or right of any person, including farmers and borrowers, in any administrative or judicial proceeding. (Sec. 1119.)

The Conference substitute adopts the House provision with an amendment that changes the term "assessment" to "study".

(46) Establishment of cover crop

The Senate bill provides no provision on this topic.

The House amendment, in Sec. 1107(a), provides that the Secretary of Agriculture should encourage producers who participate in an acreage reduction program established for a crop of wheat, feed grains, cotton or rice under the 1949 Act to plant an annual or perennial vegetative cover on reduced acreage that provides full season coverage capable of naturally improving soil fertility, reducing erosion, improving soil quality, enhancing wildlife, and making forage available for drought emergencies on all acreage required to be devoted to conservation uses, unless water conservation considerations or other crop management considerations identified in a conservation plan prepared for such land require otherwise.

Sec. 1107(b) requires that participation by a producer in any program of encouragement under subsection (a) must be at the discretion of the producer. Failure to participate in any such program may not be used to determine eligibility for any other Federal program, unless specifically authorized by law.

Sec. 1107(c) requires the Secretary, in any program of encouragement authorized under sec. 1107, to provide for the planting of annual or vegetative cover crops consistent with normal crop rotation management practices, such as summer fallow or other conserving use management practices, traditionally practiced in the area. (Sec. 1107.)

The Conference substitute adopts the Senate provision.

However, the Managers would point out that in each of the commodity Titles, the Act requires the planting of a cover crop on one half of the ACR acres.

(47) Producer appeals process under the 1949 Act

The Senate bill adds a new section, Sec. 426, to Title V of the 1949 Act, concerning producer appeals as follows:

Sec. 426(a) provides that any participant in any of the programs under the 1949 Act or any other Act administered by the ASCS shall have the right to appeal any adverse determination made by any State or county ASC committee.

Sec. 426(b) provides that any participant who believes that a proper determination has not been made with respect to the implementation of any such program concerning such participant may appeal such determination as follows:

> if such determination was rendered by a county ASC committee, the appeal is to the applicable State ASC committee;
>
> if such determination was rendered by a State ASC committee, the appeal is to the National Appeals Division; and
>
> if such determination was rendered by any other employee or agent of ASCS or CCC, the appeal is to the National Appeals Division (NAD).

Notice of appeal must be filed within a reasonable time after receiving notice of the adverse determination.

Sec. 426(c) establishes an ASCS National Appeals Division, which shall consist of a director, hearing officers, and such other personnel who shall hear and determine formal appeals. Hearing officers shall hear each appeal made to NAD.

The director of NAD—

> shall have access to all records, reports, audits, reviews, documents, papers, recommendations, or other material available that relate to programs and operations with respect to the appeal;
>
> may request such information or assistance as may be necessary from any Federal, State, or local governmental agency or unit;
>
> may require the attendance of witnesses, the production of all information, documents, reports, answers, records, accounts, papers, and other data and documentary evidence necessary;
>
> may require the attendance of witnesses and production of documentary evidence by subpoena;
>
> may administer oaths and affirmations;
>
> may enter into contracts and other arrangements for reporting and other services and make such payments as may be necessary;
>
> shall issue procedural rules for the conduct of appeals; and
>
> may delegate to hearing officers these authorities.

Sec. 426(c)(4) specifies how, when, and where such hearings shall be conducted. The participant shall be advised of the issues involved and shall be given a full opportunity to present facts, evidence and information relevant to the matter. The hearing officer may confine the presentation of facts and evidence to pertinent matters and may exclude irrelevant evidence.

Hearings before the NAD shall be recorded verbatim if requested by participant. A transcript of the hearing, together with all documents and evidence submitted shall be made available to the participant, on request, if there is an appeal. The record of the hearing shall consist of copies of all documents and other evidence presented to the hearing officer and the transcript of the hearing, if prepared.

Sec. 426(c)(5) provides that the director of NAD shall make all determinations with respect to the appeals submitted to the Division for review.

NAD shall base its review of the hearing on the transcript of the hearing and the evidence presented to the hearing officer, except that the director may order that further proceedings be had in order that the record presented for review may be complete or in order to hear new or additional evidence.

Sec. 426(c)(6) will require NAD hearing officers to report to the principal officers of the division and shall not be under the direction or control of, or receive administrative support (except on a reimbursable basis) from, offices other than NAD.

Sec. 426(c)(7) provides that NAD determinations shall be final, conclusive, and binding on USDA, including CCC, and any agency thereof. However, see Sec. 426(f), below.

Sec. 426(d) provides that the decisions of USDA under this process shall be reviewable by a United States court of competent jurisdiction.

Sec. 426(e) defines, for purposes of this section, a participant to mean any person whose right to participate in, or receive payments or other benefits in accordance with, any of the programs under the 1949 Act or any other Act administered by the ASCS is adversely affected by a determination of any State or county ASC committee or by agents of the CCC under such Acts.

Sec. 426(f) provides that nothing contained in Sec. 426 shall preclude the Secretary, the Administrator of ASCS, or the Executive Vice President of CCC from determining at any time any question arising under the programs to which the provisions of this section apply or from reversing or modifying any determination made by a county or State committee or the director of NAD.

Sec. 426(g) provides that decisions of the State and County ASC Committees made in good faith in the absence of misrepresentation, false statement, fraud, or wilful misconduct, unless otherwise appealed, shall be final, unless otherwise modified under Sec. 426(f) within 90 days, and no action shall be taken to recover amounts found to have been disbursed thereon in error unless the producer had reason to believe that the decision was erroneous.

Sec. 426(h) authorizes the Secretary to issue such regulations as necessary to implement this section. (Sec. 1032(a).)

Sec. 1032(b) provides that Sec. 1032 of the bill does not apply to any appeal or proceeding with respect to any adverse determination made by any State or county ASC committee, etc., prior to the date of enactment of this Act. (Sec. 1032(b).)

Sec. 1032(c) amends Sec. 326 of the Food and Agriculture Act of 1962 to provide that, to the extent the Secretary deems it desirable in order to provide fair and equitable treatment, the Secretary may make price support or other payments available to farmers who have, in attempting to comply with the requirements of any price support or other program or other requirements in law affecting such person's eligibility under such programs, taken actions in good faith in reliance upon the action or advice of an authorized representative of the Secretary. The Secretary may provide such price support or other payments to the extent the Secretary determines such farmer has been injured by such good faith reliance and may require such farmer to take necessary actions designed to remedy any failure to comply with such programs. (Sec. 1032(c).)

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision.

(48) Survey of program participants

The Senate bill contains no provision on this topic.

The House amendment provides that Sec. 1120(a) requires that the Secretary of Agriculture provide that producers, during the sign-up period for commodity programs under the 1949 Act in calendar year 1991, complete a survey regarding the preference of such producers, either to increase the efficiency of their farming operation or to assist in meeting conservation requirements for the farm, for the redistribution of any crop acreage bases on each producer's farm. Such survey must include questions designed to determine whether such producers would prefer to redistribute their current crop acreage bases—

(1) in different proportions among the program crops for which such producers currently have a crop acreage base;

(2) among program crops for which such producers currently do not have a crop acreage base; or

(3) in some combination of the options provided under paragraphs (1) and (2) without exceeding the total cropland of the farm. Such survey must be prepared and administered by the ASCS, and conducted in every county where sign-ups for Federal commodity programs are administered.

Sec. 1120(b) requires the Secretary to compile and analyze the data collected from the survey required under subsection (a) to determine—

(1) the potential increases and decreases in State, regional, and national acreage that would be planted to various program crops if producers were given the option to redistribute their current crop acreage bases as indicated by the survey conducted under subsection (a);

(2) the potential commodity program costs or savings if producers were allowed to implement the redistribution of such crop acreage bases as described in paragraph (1);

(3) the potential impact of such a redistribution of crop acreage bases on the competitiveness of United States agriculture in world markets; and

(4) such other consequences of such a redistribution of crop acreage bases that the Secretary determines to be of significance to United States agriculture.

Sec. 1120(c) requires the Secretary, not later than January 31, 1992, to submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and

Forestry of the Senate a report on the results of the survey conducted under subsection (a). Such report is required to—

(1) include a compilation of the data collected pursuant to the survey conducted under subsection (a);

(2) include the results of the analysis and determinations required under subsection (b);

(3) provide a summary of such data and determinations on a program crop-by-program crop and State-by-State basis; and

(4) provide such other recommendations or information as the Secretary determines appropriate. (Sec. 1120.)

The Conference substitute adopts the House provision with an amendment to move the survey to 1992, and the report to Jan. 31, 1993.

(49) Disaster assistance due to Indian water rights adjudication

The Senate bill provides that Sec. 1034 of the Senate bill authorizes the Secretary to make disaster assistance available to providers on a farm who suffered losses due to drought induced by lack of water as a result of Indian Tribal water rights adjudication affecting producers on that portion of the Big Horn River drainage system located on the Wind River Indian Reservation, Wyoming, for the 1990 crop of wheat, barley, oats, grass hay, and alfalfa hay. The disaster assistance shall be similar to assistance provided under the Disaster Assistance Act of 1989 and shall be drawn from a pool of funds of not to exceed $250,000. The section contains other terms and conditions, including a waiver of the federal crop insurance requirement contained in the 1989 disaster act. Also authorizes a loan deferral program. (Sec. 1034.)

The House amendment provides the Secretary with authority in each of the commodity titles of the bill to include in the definition of a "condition beyond the control of producer" such a condition resulting from the adjudication of Indian water settlement disputes. See—

(1) wheat: new 107A(c)(2) as added by H901;

(2) feed grains: new 105A(c)(2) as added by H1001;

(3) cotton: new 103B(c)(2) as added by H101; and

(4) rice: new 101B(c)(2) as added by H301.

The Conference substitute adopts the Senate provision with an amendment limiting the program to one year and the funds to $250,000, and requiring that the program be implemented. (Legal language is contained in ———)

(50) End rows in set-aside

The Senate bill contains no provision on this issue.

The House amendment requires, in Sec. 1122, that producers be allowed, subject to budget neutrality, to meet acreage limitation or set-aside requirements by idling end rows if—

(1) they are planted to a perennial cover crop;

(2) it would result in substantial reductions of soil loss; and

(3) each acre thus idled counts as 0.9 acres (or less, if so determined by ASCS) toward meeting such requirements. Producers are limited in such use of idled end rows to the extent that total payments to the producer are not increased.

The Conference substitute adopts the Senate provision.

(51) Advance recourse commodity loans

The Senate bill, in Sec. 1013, rewrites Sec. 424 of the 1949 Act and Sec. 1003 of FSA 85 to authorize advance recourse commodity loans for the 1991-95 crops for which nonrecourse loans are made available. (Sec. 1013.)

The House amendment provides no comparable provision.

The Conference substitute adopts the House provision.

(52) Increase in support levels

The Senate bill contains no provision on this issue.

The House amendment provides that Sec. 1123 of the House bill authorizes the Secretary, effective for the 1991 through 1995 crops, to provide for annual adjustments in the target prices of wheat, feed grains, cotton, and rice to reflect changes in the index of prices paid by farmers for production items, interest, taxes, and wage rates. (Sec. 1123.)

The Conference substitute adopts the House provision.

(53) Sense of the Congress: budget cuts targeted to protect family farms

The Senate bill provides no provision on this topic.

The House amendment provides that Sec. 1121 expresses the sense of the Congress that future spending reductions affecting commodity programs should be made on a targeted basis to protect support prices for the amount of commodities produced by family-sized farms. (Sec. 1121.)

The Conference substitute adopts the Senate provision.

(54) Encouraging surface water storage

a. Definitions

The Senate bill provides no provision on this issue.

The House amendment provides that Sec. 1141 defines, for the purposes of subtitle C, the term—

(1) "producer" to mean a producer of a program crop participating in the price support and acreage reduction program under the 1949 Act;

(2) "surface reservoir" to mean a reservoir, pond, or other facility constructed on a farm for the purpose of storing surface water for crop irrigation on the farm, for watering livestock, or other agricultural purposes;

(3) "program crop" to mean any crop of wheat, feed grains, upland cotton, or rice; and

(4) "wetland" to mean the same as under Sec. 1201(a)(16) of FSA 85. (Sec. 1141.)

b. Surface reservoir encouragement program

The Senate bill provides no comparable provision.

The House amendment provides that Sec. 1142 provides that a producer may construct a surface reservoir on land that is part of the flexible acreage base for a farm and that the land on which such reservoir is built must be considered to be devoted to conservation uses if the land was planted or considered planted to a program crop or oilseed crop in at least 3 of the preceding 5 years. (Sec. 1142)

c. Special programs for areas of severe groundwater depletion

The Senate bill provides no comparable provision.

The House amendment provides that Sec. 1143 requires the Secretary to implement, within 18 months after the date of enactment, a program providing further incentives for reservoir construction in counties designated by the Secretary as areas of severe groundwater depletion. (Sec. 1143.)

d. Limitations

The Senate bill provides no comparable provision.

The House amendment provides that Sec. 1144 limits the applicability of subtitle C to—

(1) surface reservoirs constructed in compliance with an established conservation plan approved by SCS;

(2) producers who the SCS certifies have not converted any wetland in constructing the reservoir (excluding wetlands previously designated as prior converted wetland or farmed wetland); and

(3) producers demonstrating that water needs on the farm to be met by the surface reservoir have been met by groundwater in at least 3 of the preceding 5 years. (Sec. 1144.)

The Conference substitute adopts the Senate provision.

(55) Options Pilot Program—In general

The Senate bill provides that subtitle D of the Senate bill (Sec. 1051-Sec. 1056) establishes an options pilot program to determine whether futures options trading would provide reasonable protection to producers from fluctuations in value of the commodities they produce. Sec. 1051 provides that the short title may be cited as the "Options Pilot Program Act of 1990". (Sec. 1051-Sec. 1056.)

The House amendment provides no comparable provision.

b. Findings

The Senate bill, in Sec. 1052(a), provides Congressional findings that—

(1) significant budgetary savings could result if alternatives could be found to USDA price support and production adjustment programs;

(2) hedging on regulated commodities futures markets may provide protection from price fluctuations;

(3) ag producers are not generally familiar with hedging procedures;

(4) price protection may be economically obtained by trading commodity options;

(5) more information is needed to evaluate the viability of futures options trading as an alternative to USDA price support and production adjustment programs. (Sec. 1052(a).)

The House amendment provides no comparable provision.

c. Policy or purposes

The Senate bill provides that Sec. 1052(b) provides that the purposes of subtitle D of the Senate bill are to—

(1) ascertain whether futures options trading would provide reasonable protection to producers from fluctuations in commodity values;

(2) ascertain whether producers will use this method of price protection; and

(3) determine the effect widespread use of such trading would have on commodity prices. (Sec. 1052(b).)

The House amendment provides no comparable provision.

d. Pilot program

The Senate bill provides that Sec. 1053-Sec. 1056 authorize the pilot program for each of the 1991–95 crops of corn and each of the 1993–95 crops of wheat and soybeans. The program shall be conducted in various counties, but not less than 3 counties in each of 3 major corn-producing States during 1991.

Sec. 1054 provides that regulations shall specify terms of program. Some specific eligibility requirements are listed, including a requirement that the producer attend a seminar concerning commodity futures.

The program shall provide a target price strike price for put options that is equivalent to the target price for the commodity involved and a loan rate strike price that is equivalent to the loan rate for the commodity involved.

The program benefits to be offered shall include cost of option premiums and payments of not more than 15 cents per bushel to cover transaction fees, interest, and other expenses.

Sec. 1055 provides that the Secretary may consult with representatives of the commodity futures trading industry designated by futures markets participating in the program.

Sec. 1056 provides that CCC shall be used to carry out this pilot program.

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision on the Options Pilot Program with an amendment making the provision subject to appropriations, and adopts the House provision on the Findings.

TITLE XII—STATE AND PRIVATE FORESTRY

(1) Short Title

The Senate bill cites the title as the Forest Stewardship Act of 1990. (Sec. 1501)

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

Subtitle A—Cooperative Forestry Assistance Act References

The Senate bill provides that whenever amendments in this title are expressed in terms of an amendment to a section the reference shall be considered to amend the Cooperative Forestry Assistance Act of 1978. (Sec. 1511)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision. (Sec. 1211)

(2) Findings, Purpose, and Policy

The Senate bill amends Section 2 of the Cooperative Forestry Assistance Act (CFAA) by adding findings and purposes that address environmental threats to private forest lands, and economic and environmental benefits that may accure from more active multiple use management of those lands. Encourages the Secretary to implement Federal programs affecting non-federal forest lands through and in cooperation with appropriate state officials and the private sector. (Sec. 1512)

The House amendment amends section 2 of the CAFF by omitting current law findings on water yield and on value of trees to urban areas and adding findings similar to those in the Senate and an additional finding regarding the economic health of rural communities. (Sec. 1507(a))

The Conference substitute adopts the Senate provisions with the addition of House finding on economic health of rural communities and deleting Senate findings on federal funding. (Sec. 1212)

(3) Rural Forestry Assistance

The Senate bill replaces section 3 of the CFAA. New section 3(a) directs the Secretary to expand educational and technical assistance to meet the goals of the Act. (Sec. 1513)

The House amendment is identical to the Senate provision. (Sec. 1507(b))

The Conference substitute adopts the language contained in both provisions. (Sec. 1213)

(4) Enabling Assistance

The Senate bill is similar to current law but lists additional activities in which the Secretary may provide technical, financial and related assistance to states. Those additional activities include: (1) enhancing and preserving forest lands and the multiple values, uses, and communities that depend on the forest to ensure its health and conserving associated soil and water resources; (2) identifying, enhancing and preserving rate and endangered wildlife and fish species and their habitats; (3) implementing forest stewardship and management technologies; (4) selecting, producing, and marketing alternative forest crops, products, and services from forest lands; (5) protecting forest land from damages caused by fire, insects, and disease; (6) identifying highly aesthetic forest lands and protecting, regenerating and improving the aesthetic character of such lands; (7) managing the lands where rural and urban areas meet to balance the use of forest resources in the adjacent to urban and community areas; (8) identifying and managing recreational forest land resources; (9) protecting forest lands from conversion to other uses; and (10) managing timber resources ensuring that forest regeneration or reforestation occurs if needed to sustain long term resource productivity and to help prevent major climate changes as a result of the greenhouse effect. (Sec. 1513)

The House amendment is similar to the Senate provision except that items 6 and 9 do not appear in the House version. Additionally, the House version provides that activities consistent with the purposes of the Act include protecting forest land from damage caused by damaging weather. (Sec. 1507(b))

The Conference substitute adopts the House provision with the Senate list of activities for which a state may deliver assistance to landowners. (Sec. 1213)

(5) Direct Assistance

The Senate bill contains provisions identical to current law, with the omission of authority to provide technical assistance to private forest landowners and others, and further authorizes the Secretary to assist state foresters and officials to develop and contract for the development of field arboretums, greenhouses, and tree nurseries, to facilitate production and distribution of tree seeds and seedlings where they are needed for reforestation. (Sec. 1513)

The House amendment contains provisions identical to current law, with the omission of authority to provide technical information to private forest landowners and others. (Sec. 1507(b))

The Conference substitute adopts the Senate provision. (Sec. 1213)

(6) Land Grant Universities

The House amendment allows the Secretary to cooperate directly with land grant universities in implementing this section. (Sec. 1507(b))

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(7) Cooperation with Other Federal, State, and Local Natural Resource Agencies, Universities, and the Private Sector

The Senate bill will require the Secretary in implementing section 3 of CFAA to cooperate with other Federal, State, and local natural resources agencies, universities and the private sector. (Sec. 1513)

The House amendment is similar to the Senate provision.

The Conference substitute adopts the Senate provision (Sec. 1213)

(8) Appropriations

The Senate bill authorizes such sums as necessary to implement the section. (Sec. 1513)

The House amendment is identical. (Sec. 1507(b))

The Conference adopts the Senate provision. (Sec. 1213)

(9) Forest Incentives Program

The Senate bill combines financial and related assistance program under current law with expanded authority to meet new forest management objectives by inserting new Sections 4 and 5 into CFAA. (Sec. 1514)

The House amendment repeals the authority for the Forestry Incentive Program under Section 4 of CFAA, and establishes a new "Forest Resources Stewardship Program". (Sec. 1507(c))

The Conference adopts the Senate provision with an amendment to terminate the authorization for the FIP program on December 31, 1995. (Sec. 1214)

The Managers intend that the Stewardship Incentive Program should ultimately serve as the basis for all cost-share assistance for promoting the protection, management, and reforestation of non-industrial private forest lands. SIP funds can be used for tree planting as well as other activities intended to promote the multiple-use management of these lands. Nevertheless, the Managers recognize the popularity and success of the FIP program and have therefore provided a 5-year period of transition in order to permit landowners and the implementing agencies to become familiar with the SIP program before FIP expires. The authorization for the FIP program will expire on December 31, 1995.

During the five year preiod when SIP and FIP funds remain available, the Managers expect that the Forest Service, acting through the State Foresters or equivalent State officials, will make every effort to distinguish between FIP and SIP-funded projects and provide for efficient use of both cost-share programs. Landowners should not receive FIP and SIP funding for projects on the same acre. In order to track agency efforts to implement the two programs simultaneously, the Forest Service is to report to the Committees on their efforts in this regard no later than December 31, 1993.

(10) Forest Stewardship Program

The Senate bill directs the Secretary, in consultation with state foresters or equivalent state officials, to establish a program, to be known as the Forest Stewardship Program (FSP) as part of the rural forestry assistance program. The Stewardship Program is authorized at $25 million annual for FY 1991–95.

The Program is established to encourage the development, management, protection, and stewardship of non-industrial private forest lands. The goal of the Program is to enroll 25 million additional acres of private forest land into stewardship management. Management shall be in accordance with landowner objectives and to provide multiple benefits to the nation.

Additionally, the program requires the Secretary to provide assistance to state foresters for the delivery of information and technical assistance to nonindustrial private forest landowners. The Secretary may cooperate directly with other state and local natural resources agencies and land-grant universities in implementing Rural Forestry Assistance and FSP provisions in cases where state foresters cannot make fund transfers. (Sec. 1513)

The House amendment establishes a similar program called the Forest Resources Stewardship Program (FRSP) in place of the existing Forestry Incentives Program (FIP), Section 4 of CFAA. Both the goals and objectives are similar to the Senate program. However, authorization is $20 million annually from FY 1991–95 and such sums as necessary thereafter.

FSRP provisions are similar to the Senate's provisions except that the House amendment: (1) contains a provision defining "Private Forest Land" identical to current law; (2) directs the Secretary, in consultation with each state forester or equivalent state official, to establish a State Advisory Committee; (3) specifies that technical assistance must be directed to help private owners of nonindustrial forest lands to understand and evaluate alternative actions they may take to protect, maintain, and enhance fish, wildlife, water, wetlands, recreation and timber resources and; (4) does not specifically require the Secretary to cooperate with other government agencies, non-governmental organizations, and the private sector in implementing the Act.

Additionally the House amendment makes eligible existing nonindustrial forest lands that: (1) are not currently under a forest management plan; or (2) are managed under existing Federal, state, or private assistance programs if the landowner agrees to comply with the requirements of the FSRP or if forest management activities on such forest lands are expanded or enhanced to meet the requirements of the CFAA, as amended.

Another provision describes the duties of owners who enter forest land into the Program and requires that such landowners prepare and submit to the state forester or equivalent state official a forest resources stewardship plan that: (1) is prepared by a professional resource manager; (2) identifies and describes actions to be taken by the landowner affecting the natural resources of such land; and (3) is approved by the state forester or equivalent state official in accordance with Federal and state law. Additionally, the landowner must agree that all activities conducted on the land be in accordance with the stewardship plan (Sec. 1507(c))

The Conference substitute adopts the House amendment with amendments to define non-industrial private landowners as rural lands with existing tree cover or suitable for growing trees; define eligibility as those nonindustrial private forest lands that are not currently enrolled under existing Federal, state, or private sector financial and technical assistance programs; and authorize appropriation of $25 million through 1995 and such sums as necessary thereafter. The substitute also creates an independent section for FSP within the CFAA. (Sec. 1215)

(11) Forest Stewardship Incentives

The Senate bill directs the Secretary to establish a Forest Stewardship Incentive Program (FSIP) to encourage the voluntary long-term stewardship of private nonindustrial forest lands.

Eligibility is limited to landowners who own up to 1,000 acres, or 5,000 acres at the Secretary's discretion. The Senate bill adds that nonindustrial forest lands that are not currently enrolled in a Federal, state or pviate sector program are eligible for the FSIP cost share and landowners currently enrolled in a program may be eligible if they agree to expand and enhance forest management and comply with Program requirements. FSIP cost share assistance shall not be received for landowners who receive forest incentives program cost share.

The Secretary may accept recommendations of state agencies to bring certain forest lands into the program. The Secretary in consultation with the State Forest Stewardship Advisory Committee, may develop a list of approved activities, which must include: (1) management of forests conservation purposes; (2) sustainable timber production; (3) protection and management of wetlands; (4)

management of native vegetation; (5) agroforestry; (6) forest management for energy conservation purposes; (7) management for fish and wildlife; (8) management for recreation; and (9) other activities approved by the Secretary. All activities must be consistent with Federal and state environmental laws and policies.

The Senate bill requires landowners participating in the FSIP to have a forest stewardship plan prepared by a professional resource manager. The plan must be approved by the state forester or equivalent official. The landowner must follow the plan for which cost share was received for not less than 20 years. Plan modifications may be approved by the state forester or equivalent official.

The bill allows the Secretary to share the cost of developing and implementing the forest stewardship plans. The Secretary and state forester shall determine the reimbursement rate. Cost share payments may not exceed 75 percent.

Provisions of the Senate bill require the Secretary to implement a payback provision in the event a landowner terminates cost share practices within the 20 year period.

The Secretary is encouraged to use the private sector, non-governmental organizations, and consultants to implement this section.

The Secretary is to distribute funds among the states after giving appropriate consideration to the: (1) amount of a state's private land; (2) a state's potential productivity; (3) number of eligible owners in a state; (4) the need for multiple-use forestry investments.

The Secretary may use the Agricultural Act of 1970 when implementing this section. Such sums are to be appropriated as may be necessary to carry out the FSIP. (Sec. 1514)

The House amendment authorizes a similar Stewardship Incentive Program (SIP) to provide cost share assistance for tree planting and other forest management activities pursuant to approved stewardship plans.

The Program establishes eligibility criteria for cost sharing assistance under SIP to be available for owners of existing private nonindustrial forest lands that: (1) have developed an approved stewardship plan; (2) agree to implement approved activities for a period of not less than 10 years unless the state forester or equivalent state official approves a modification for the plan; and (3) own not more than 1,000 acres of private forest land, except that the Secretary may provide assistance to owners of more than 1,000 acres, but not more than 5,000 acres, if the Secretary determines that significant public benefits will accrue. The Program authorizes the Secretary, in consultation with the state forester or equivalent state official and the Advisory Board established in accordance with the new provisions of the CFAA, to recommend state priorities for cost-sharing in that state.

The Secretary is directed, in consultation with the Advisory Board, to develop a list of approved forest management activities that will be eligible for cost-sharing in that state.

The Secretary is authorized to cost-share for approved forest management activities, at a rate and according to a schedule developed in accordance with the state forester, or equivalent state official, in an amount not to exceed 75 percent of the total cost to the landowner of developing and implementing the stewardship plan.

The Secretary is directed to establish and implement a mechanism to recapture funds provided to landowners who terminate any approved practice required by the stewardship plan.

The Secretary is directed to distribute funds available for cost sharing among the states after assessing the public benefit incident to such distribution and giving consideration to: (1) the acreage of private forest land in each state; (2) the potential productivity of such land; (3) the number of owners of such land eligible for cost sharing in each state; (4) the need for reforestation in each state; (5) the opportunities to enhance non-timber forest resources on such forest lands; and (6) the anticipated demand for timber and non-timber resources in each state.

The Program authorizes the Secretary to use the authorities provided by the Agricultural Act of 1970, as added by the Agricultural and Consumer Protection Act of 1973, in implementing this section.

The SIP is authorized at $100 million annually from 1991–95, and such sums as may be necessary therefore. (Sec. 1507(d))

The Conference substitute adopts the Senate provisions with the House eligibility, duties of owners, and authorization provisions. (Sec. 1216)

(12) Forest Legacy Program

The Senate bill directs the Secretary to establish a new conservation easement program, the Forest Legacy Program (FLP), in cooperation with state and political subdivisions, for the purpose of protecting environmentally sensitive forest lands from conversion to alternative uses. It authorizes the Secretary to purchase interests in land and water for inclusion in the FLP from willing landowners.

The bill requires that an initial program in Maine, New Hampshire, New York, and Vermont be implemented immediately. Additional programs in the Northeast, Southeast, Midwest, West, and the Pacific Northwest should be implemented upon receipt of an assessment of the need for such a program.

The bill directs the Secretary, in consultation with State Forest Stewardship Advisory Committees established under the CFAA in Section 19(b), to establish eligibility criteria for inclusion of land in the FLP. Priority shall be given to lands with unique scenic character, riparian areas, or fish and wildlife habitat.

To be eligible to enter forest lands in the Program, the forest land owner is required to prepare and submit through the state forester an application at such time, in such form, and containing such information as the Secretary requires. The Secretary must make application forms available within one year of enactment.

The bill directs the Secretary to determine the eligibility of forest lands for inclusion within the FLP in consultation with the state forester and other appropriate state natural resource management agencies.

The Program requires any forest management activities on FLP lands, including timber management, to be consistent with the purposes intent of the FLP. Participating landowners must prepare a forest legacy plan that states the rationale for bringing the land into the FLP, describes planned management activities, and describes other information determined appropriate by the Secretary.

The Secretary is directed to share the cost of purchasing an easement. These purchases should: (1) be in the public interest; (2) appropriately reimburse the landowner based on the forest land's economic, ecological and scenic value, the threat of potential loss, income expected from the land, and other criteria deemed appropriate; (3) not exceed 75 percent of the purchase cost; and (4) be made in lump-sum or periodic payments.

The Senate bill defines and authorizes acquisition of easements and prohibits limitations to their duration or scope. (See. 1514)

The House amendment authorizes a Forest Reserve Program (FRP) similar to the Senate provision, but does not authorize purchases of interests in water.

The House amendment further directs the Secretary to establish four pilot projects to meet the goals and requirements of this section for the Program not later than 1 year after the date of enactment.

The House amendment directs the Secretary to establish eligibility criteria for the inclusion of forest lands threatened by conversion to non-forest uses in the Program and to give priority to forest lands that are threatened by development, have unique scenic character or contain threatened or endangered species.

The House provision contains similar application procedures to the Senate's plan but application may be made through state forester or equivalent state official and information required must include a forest reserve plan that demonstrates satisfaction of the eligibility requirements, identifies the environmental rational for including the lands into the FRP, describes management activity planned and the manner in which values identified in the plan are to be protected, and discloses other information determined appropriate by the Secretary.

House stipulations are similar to the Senate's on determination of eligibility but consultation is with the state forester or equivalent state official.

The House measure requires landowners to manage FRP lands and conduct any timber harvesting of such lands consistent with a forest reserve plan approved by the Secretary, and not convert the forest land to other uses for the life of the interest acquired by the Secretary. Hunting, fishing, and similar recreational leases are not to be considered inconsistent with the proposes of the program.

The Secretary is directed to provide compensation to the landowner for the interest in land acquired by the Secretary at such rate and schedule as it determined to be appropriate, in consultation with the state forester or equivalent state official. It is similar to the Senate provision on the appropriate level and manner of reimbursement except it lacks the 75 percent limit on Federal share.

The House amendment does not define easement. As in the Senate bill, the House amendment prohibits limitations regarding the duration and scope of easements. The provision lacks both a specific authorization for acquisition and an authorization for appropriations. (Sec. 1505)

The Conference substitute adopts the Senate bill with amendments. The Conference substitute adds a provision to clarify the cooperative federal and state approach to program objectives.

The Conference substitute adopts the Senate provisions regarding interests in lands with modifications to clarify that the Secretary may acquire lands in fee or lesser interests therein, including waters, conservation easements, or rights of public access and use. In acquiring interests, undivided common ownership in conservation easements are prohibited.

The Conference substitute modifies the Senate's implementation provisions by allowing the Secretary to acquire perpetual rights in lands.

The Conference substitute modifies the Senate eligibility provisions by requiring the Secretary to establish eligibility provisions by requiring the Secretary to establish eligibility criteria within one year in consultation with State Forest Stewardship Advisory Committee or similar regional organization. The Secretary is also required to give priority to areas which can be effectively protected and managed.

The Conference substitute provides new language on applications. For consultative purposes, the Secretary is required to give notice of all applications to appropriate state offcials who may, in turn, make recommendations on the merits of an application.

The Conference substitute adopts determination language that prohibits the Secretary from acquiring lands and conservation easement where states have not previously consented to any acquisitions of lands within that state under section 6 of the Weeks Act. Where Weeks Act consent has never been granted, the Secretary can acquire lands and conservation easements only in areas within a state that have enrolled in the Forest Legacy Program. The Conference substitute departs from both the House and Senate provisions in the manner by which compatible management activities will managed. Conservation easements or deed reservations acquired may allow forest management activities, however, the Secretary may only delegate or assign management and enforcement to another governmental entity.

The Conference substitute modifies compensation provisions to require that the fair market value of the real property acquired under the program be required in accordance with federal appraisal and acquisition standards and procedures.

Regarding cost sharing, the Conference substitute adopts a modified Senate approach of 75% Federal contribution. Cost sharing shall be calculated by the Secretary on a project wide or state program basis.

On easements, the Conference adopts the Senate version with modifications to allow the Secretary to utilize any form of easement under state or federal law.

The Managers note that Forest Legacy program will be another tool for federal resource management agencies to use for land protection and encourage the Secretary to expedite the establishment of the program. The Managers encourage the Secretary and states participating in the Forest Legacy program to follow Program guidance in House Report 101-569 and Senate Report 101-357. In addition the Managers note that this authority should not diminish in any way any water rights established under state law. Further, the Conference does not intend that condemnation be used for Forest Legacy Program purposes except to clear title to land or establish acquisition price from and otherwise willing seller.

The Secretary is prohibited from acquiring conservation easements with title held in common ownership with any other entity. However, the Managers intend that the required non-Federal contribution to the costs of acquiring such an interest can be met through various means and in accordance with terms and conditions that the Secretary prescribes. Such costs might include those associated with planning, administration, and management of the easements acquired. Or, the federal and state governments might cost share with one entity paying for land and the other paying for administrative or management expenses.

The Managers intend for acquisitions to be geared to meeting established objectives for protecting areas. Any easements or other lands acquired for projects should be predicated on permanent administration of such property rights. Additional projects shall be established where the Secretary or a state assess the need for such a project. Special attention should be given to bring Washington State into the program in that the state has developed a statewide conservation easement program.

The application procedure is entirely voluntary and serves to allow the landowner to initiate the process of entering the program. In addition to the landowner application process, the Managers encourage the Secretary to initiate negotiations to acquire lands and easements within designated program areas.

In addition to easement requirements, the Managers encourage the Secretary to use management plans prepared with a landowner to guide activities in a manner consistent with the easement or other federal interests in land. While management and enforcement may only be granted to a governmental entity, the Secretary is not precluded from using permits, cooperative agreements or other mechanisms to allow persons or organizations to perform the tasks of monitoring easement compliance and conducting resource conservation activities consistent with the rights acquired by the Secretary and approved by the landowner.

In requiring the Secretary to use established federal appraisal standards, the Managers also intend that the Secretary take into consideration the potential for any commercial activities on the land subject to the easement that would return income to the landowner and that would be allowed under the terms of the easement. The appraisal of the value of the easement to be purchased by the Secretary should recognize and reflect this potential.

(13) Forest Health Protection

The Senate bill renames the current Insect and Disease Control program as the Forest Health Protection program. Current law is amended to include the impacts from man-made causes (such as air pollution) into forest health programs. Additions to current law include provisions: (1) strengthening insect and disease control programs by authorizing a nationwide forest health monitoring program; (2) allowing technical information, advice and related assistance regarding forest health techniques to be provided to state and private landowners; (3) allowing pilot research projects to be completed before applying full scale application of a forest health practice; (4) allowing implementation of appropriate silvicultural techniques that may protect forest health; (5) establishing financial assistance partnerships between Forest Service and state forestry organizations for forest health monitoring and protection; and (6) allowing any amounts appropriated or available to the Forest Service to be used for emergency suppression of forest pests on all lands.

The Senate version authorizes such sums as may be necessary to carry out the forest health protection provisions. (Sec. 1515)

The House amendment requires the Secretary, subject to appropriations, to provide cost-share assistance to state foresters or equivalent officials of states, subdivisions of states or other entities on non-Federal lands (cooperators), who have established an acceptable integrated pest management strategy, as determined by the Secretary, that prevents, retards, controls or suppresses, incipient, potential, or emergency gypsy moth, southern pine beetle, or spruce budworm infestations in an amount no less than 50 percent nor greater than 75 percent of the cost of such activity. The Secretary must also assist such cooperators in developing an integrated pest management strategy upon request.

The House provision authorizes $10 million to be appropriated annually in order to implement the amendment. (Sec. 1502)

The Conference substitute adopts both the Senate and House provisions, except that the Senate provision for emergency pest suppression is deleted and the House provision is amended to apply to other major insect infestations. (Sec. 1218)

The Managers intend, in adopting the House provision, to encourage the development and implementation of integrated pest management programs to address infestations of gypsy moth, southern pine beetle, or spruce budworm thus promoting more efficient use of limited Federal pest control resources.

(14) Urban and Community Forestry Assistance

[NOTE: The Senate provision (Sec. 1941) was originally included in the global climate change prevention subtitle of Title XIX of the Senate bill.]

The Senate bill sets forth several findings regarding value of trees for ameliorating the urban heat island effect and aiding the reducing the buildup of carbon dioxide emissions.

The House amendment cites several Congressional findings in addition to those contained in the Senate bill, which acknowledge (1) the declining health of forests in urban areas and communities, (2) the value of trees for improving the quality of life for urban residents, and (3) the sense of community involvement associated with efforts to encourage tree plantings and protect existing open spaces in urban areas and communities.

The Conference substitute adopted the findings of the House amendment amended to include provisions to recognize the energy conservation values of trees, and incorporated as an amendment to the CFAA.

The Senate bill requires the Secretary to establish a program of urban forestry education, technical assistance, planting, and tree maintenance. The Secretary is authorized to provide a variety of services to implement this program, including competitive matching grants. The bill authorizes such sums as may be necessary to implement this section.

The House amendment amends Section 6 of CFAA by adding new subsections (c) through (g). The new section 6(c) directs the Secretary, in cooperation with State foresters and State extension agents or equivalent State officials, to implement a program of education and technical assistance for urban forest resources. The program is to assist: (urban areas and communities conduct inventories of their forest and related resources; (2) State and local organizations in organizing and conducting urban and community forestry projects and programs; (3) in the development of State and local management plans for trees and associated resources in urban areas and communities and to provide for proper tree planting, maintenance, and protection; (4) assist in the development of State and local management plans for trees and associated resources in urban areas and communities; and (5) increase public understanding of the economic, social, environmental, and psychological values of trees and open space in urban and community environments and expand knowledge of the ecological relationships and benefits of trees and related resources in these environments.

The House amendment, in section 6(d) directs the Secretary, in cooperation with State foresters or equivalent State officials, to assist in identifying sources of plant materials and would authorize the Secretary to obtain such materials and make them available to urban areas and communities. The new section 6(e) directs the Secretary to establish an urban and community forestry challenge cost share program for eligible communities and organizations, on a competitive basis, for urban and community forestry projects, and to annually make awards under the program in accordance with criteria developed in consultation with, and after consideration of recommendations received from the National Urban and Community Forest Advisory Council established under section 6(f), and consistent with the cost-share requirements of this section which would limit the Federal share of assistance to no more than 50 percent for each project.

The Conference substitute adopted the House provisions, with minor amendments of a technical nature. In addition, the substitute stipulated that each State Forester or equivalent State official may make recommendations to the Secretary for awards under the challenge cost-share program. However, the Managers do not intend for State officials to make actual awards of the funds provided, nor are the funds to support this program to be distributed to the States by formula. The Managers intend for this program to be a national program to reward those projects which warrant cost-share support from proposals submitted from any state. The role of the State foresters or equivalent State officials in this capacity is simply to facilitate the activities of the National Urban and Community Forestry Advisory Council and the Forest Service by making initial recommendations based upon criteria established by the Secretary in consultation with the Council.

The Senate bill authorizes the Secretary to establish a National Urban and Community Forestry Advisory Council to develop and evaluate the implementation of an action plan and develop recommended criteria for the Urban Forestry Energy Conservation Program established by section 1942. The Council would consist of 15 members appointed by the Secretary, at least two of whom would be representatives of national nonprofit forestry and conservation citizen organizations; the forest products, nursery, or related industries; urban forestry professionals; academic institutions; State or local forestry agencies; Federal agencies; and the general public. The Secretary is also authorized to detail personnel of the Department to the Council.

The House amendment would also establish a Council which would be responsible for developing a national urban and community forestry action plan; evaluating its implementation; and developing criteria for and submitting recommendations with respect to the urban and community forestry challenge cost-share program under section 6(e). The Council would be imposed of: (1) 2 representatives of national nonprofit forestry and conservation citizen organizations; (2) 3 representatives, one each from State, County, and city or town governments; (3) 2 members representing academic institutions with an expertise in urban and community forestry activities (4) 1 individual representing urban forestry, landscape, or design consultants; (5) 1 member representing State forestry agencies or equivalent State agencies; (6) 1 member representing the forest products, nursery, or related industries; (7) 1 member representing a professional renewable natural resource or arboricultural society; (8) 1 member from the Extension Service; (9) 1 member from the Forest Service; and (10) 2 members who are not government employees, 1 of whom is from a community with a population of less than 50,000, and both of whom have expertise and have been active in urban and community forestry. The House bill would also provide for an amendment to the Renewable Resource Extension Act (16 U.S.C. 1672(a)) to promote increased understanding of the values of trees and related resources in urban and community environments.

The Conference adopted the provsions of the House amendment, with amendment to ensure that the energy conservation value of trees was recognized as an important public information objective.

The Conferees intend that the National Urban and Community Forestry Advisory Council should serve as an independent source of information, ideas, and initiative for expanding the role of the Forest Service in promoting urban forestry programs and community activities. In addition, the Council is to aid in evaluating the Forest Service's urban and community forestry programs, to develop an action plan and agenda for urban forestry activities, and to help guide the implementation of the challenge cost-share program.

(15) Firefighting Preparedness and Mobilization Assistance

The Senate bill provides additional authority for the Secretary to establish a fire fighting mobilization and funding program. It authorizes a financial, technical, and related assistance program for state foresters to conduct fire fighting mobilization activities. The bill authorizes $100 million per year to be appropriated, $50 million of which shall be made available to rural volunteer fire departments to conduct mobilization activities. The Federal cost share may not exceed 50 percent of any rural fire fighting activities and must be provided on a matching basis.

The Senate bill defines "mobilization" as any activity in which one fire fighting organization assists another that has requested assistance. It defines "rural volunteer fire department" as any organized, not for profit, fire protection organization that provides service primarily to a community or city with a population of 10,000 or less or to a rural area, whose manpower is 80 percent or more volunteer, and which is recognized as a fire department by the laws of the state. (Sec. 1516)

The House amendment is similar to the Senate provision except that the Secretary may also provide such assistance through state foresters or equivalent state officials to other agencies and individuals, including rural volunteer fire departments, to conduct preparedness and mobilization activities to respond to requests for fire suppression assistance. The amendment authorizes $40 million for each fiscal year for such assistance, to be allocated as follows: (1) ½ of sums appropriated is available only forest agencies administered by state foresters or equivalent state officials, and through them to other agencies and individuals, to enhance their firefighting capability and conduct mobilization activities, of which not less than $100,000 is made available to each state, and (2) ½ of sums appropriated are available only for rural volunteer fire departments to conduct such activities; and (3) limits the Federal share of any activity of a state or rural volunteer fire department carried out with funds made available pursuant to these provisions to no more than 50 percent of the cost of the activity, on a matching basis and allows the non-Federal share to be in the form of cash, services, or in-kind contributions, fairly valued.

The House amendment definitions for "rural volunteer fire department" and "mobilization" are similar to the Senate bill. (Sec. 1501)

The Conference substitute adopts the House amendment with an authorization level of $70 million. (Sec. 1220)

(16) Rural Revitalization through Forestry

The Senate bill establishes a new rural revitalization education program within the USDA Extension Service. It allows the Secretary to establish a rural revitalization program through Extension Service and Cooperative Extension Service in consultation with Forest Service to assist rural communities with economic policies for business development consistent with environmental concerns. The plan requires—

(1) the transfer of technologies to other United States based industries;

(2) assisting businesses in identifying global markets; and

(3) training of local leaders in economic development.

The program requires the Secretary to establish specific programs that—

(1) deliver educational services;

(2) use Cooperative Extension Service databases and analytical tools to help communities diversify their economic base; and

(3) fully use the Cooperative Extension Service, land grant universities and county offices to promote economic development that is sustainable and environmentally sound. (Sec. 1517)

The House amendment contained no comparable provision.

The Conference substitute deletes the Senate provision from the State and Private Forestry title, and adopts a similar provision in the Rural Development title.

(17) Federal, State and Local Coordination and Cooperation

The Senate bill establishes a Forest Resource Coordinating Committee within the USDA. The Committee will be chaired by the Forest Service Chief and will include representatives from Agricultural Research Service, Agricultural Stabilization and Conservation Service, the Extension Service, Forest Service, and Soil Conservation Service. The Committee will coordinate private forestry programs, clarify agency responsibilities, and advise the Secretary on mediating intra-departmental differences.

The Program also provides a framework for state coordination, requiring each state forester to establish a Forest Stewardship Advisory Committee. Each state Committee will be chaired by the state forester, or his designee, and must include representatives from Federal agencies, state agencies, conservation and environmental organizations, the private sector, and landowners. Committee members will serve three year terms. Existing state committees may be used if they include landowners and the general public. The bill requires the Committees to consult with other USDA and state committees which address forestry issues and (a) make recommendations to the Secretary about implementation of this Act; (b) make recommendations concerning the development of a Forest Stewardship Planning Guide; (c) make recommendations about approved practices; and (d) make recommendations concerning those forest lands that should be included in the Forest Legacy Program. Subcommittees may be established to address different programs under this Act.

The Senate bill requires Forest Stewardship Planning Guides to be developed. These Guides will: (a) provide baseline data; (b) outline threats to forest lands; (c) describe economic and environmental opportunities; (d) address management of intermingled Federal, state, and private forest land ownerships; and (e) make recommendations for local implementation.

Existing state advisory plans may be used if they conform to the above requirements. (Sec. 1518)

The House amendment is similar to the Senate bill. However, the membership of the advisory Committee varies slightly from that of the Senate bill. The House amendment does not include the Planning Guide requirements. (Sec. 1507(e))

The Conference substitute adopts the Senate provision and adds forestry consultants and the forest products industry while dropping the private sector and state park service representatives from the list of entities that should be a part of the Forest Stewardship Advisory Committee. (Sec. 1222)

(18) Administration and Limitations

The Senate bill outlines administrative guidelines for the Act's implementation. These guidelines require—

(a) administering the Act in accordance with regulations developed by the Secretary;

(b) keeping the regulations formulated by the Agricultural Act of 1970 in tact;

(c) requiring cost sharing regulations to be developed;

(d) allowing the Secretary to make grants, contracts and agreements;

(e) construing the Act as supplemental to other USDA laws and not as limiting or repealing current laws;

(f) providing that an existing mechanism should be used to make payments and to deliver services to the landowner. The bill states that no provision of the Act may infringe on a landowner's private property rights unless they are willingly sold under the Forest Legacy Program. (Sec. 1519)

The House amendment does not contain a comparable provision.

The Conference substitute adopts the House position with technical amendments. (Sec. 1223)

(19) Conforming Amendments

The Senate bill makes amendments that bring subtitle A into conformance with existing authorities. (Sec. 1520)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with technical amendments. (Sec. 1224)

Subtitle B—Research, Utilization, and Education

CHAPTER 1—GENERAL RESEARCH PROGRAMS

(20) McIntire-Stennis Research Program

The Senate bill reaffirms the importance of the McIntire-Stennis Cooperative Forestry Act. (Sec. 1521)

The House amendment does not contain a comparable position.

The Conference adopts the Senate provision. (Sec. 1231)

(21) Competitive Forestry, Natural Resources, and Environmental Grants Program

The Senate bill authorizes the Secretary to establish a Competitive Forestry, Natural Resources, and Environmental Grant program. The bill allows agricultural experiment stations, colleges or universities, research organizations, Federal agencies, private organizations and corporations to be eligible for grants. Eligible organizations are required to submit an application to the Secretary.

The provision allows grants to be used for research in—

(1) biology of forest organisms;

(2) ecosystem function and management;

(3) wood use;

(4) human forest interactions;

(5) international forestry product marketing;

(6) energy;

(7) water and agricultural chemical reduction;

(8) alternative crops;

(9) economic production and marketing products and services;

(10) the benefits of conservation;

(11) the affects of global climate change;

(12) genetic tree improvement; and

(13) market expansion.

The arrangement allows grants to be used for updating research facilities and equipment, and for the Secretary to develop criteria that will assist in prioritizing grants.

The bill requires the Cooperative Forestry Research Council to provide recommendations to the Secretary on grant priorities. The Secretary can make grants under this program for five years. The plan authorizes such sums as are necessary to be appropriated for the Grant program. (Sec. 1522)

The House amendment contains no comparable position.

The Conference substitute adopts the Senate provision, with an amendment revising the research topics eligible for the grants. (Sec. 1232)

CHAPTER 2—SPECIALIZED RESEARCH

(22) Research and Utilization

The Senate bill contains no comparable provision.

The House amendment authorizes for the Secretary to conduct, support, and cooperate in research for encouraging improved reforestation of forest lands from which timber has been harvested.

The Secretary is authorized to develop and implement improved methods of survey and analysis of forest inventory information, and authorizes $10,000,000 to be appropriated annually for such development and implementation.

The House amendment also authorizes the Secretary to conduct, support, and cooperate in studies and other activities the Secretary deems necessary to evaluate renewable resource management problems associated with urban-forest interface, to assess effects of changes in Federal revenue codes on private forest management and investment, and to develop improved delivery systems for information and technical assistance provided to private landowners.

The amendment adds authority for the Secretary to conduct, support, and cooperate in an expanded wood fiber recycling research program, including the acquisition of necessary equipment, and would direct the Secretary to make every effort to ensure that the program includes the cooperation and support of private industry, and that program goals include the application of such research to industry and consumer needs. $10,000,000 is authorized to be appropriated annually for a five-year period beginning on the date of enactment.

The amendment also authorizes the Secretary to continue the Modern Timber Bridge Initiative to provide Federal funds, on a cost-share basis as determined by the Secretary, for the construction of demonstration bridges, modern bridge technology transfer projects, and conferences. $5,000,000 in annual appropriations is authorized.

The amendment also directs the Secretary to submit a report to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry that responds to the recommendations contained in the report of the National Research Council entitled, "Forestry Research: A Mandate for Change". The report is to be submitted within six months after the date of enactment.

Elements of the report are to include—

(1) an assessment of the capability of current forestry research programs to address research areas specified in the report, including research on ecosystem functions and management;

(2) an evaluation of alternatives to current organizational frameworks for providing guidance to forestry research programs and establishing research priorities; and

(3) recommendations for changes in current forestry research programs, including funding needs.

The Senate bill contains no comparable provision.

The Conference substitute adopts the House amendment. (Sec. 1241)

(23) Southern Forest Regeneration Program

The Senate bill requires the Secretary to make a grant to a State to establish a Southern Forest Regeneration Center to study forest regeneration problems in the southern regions of the United States.

The bill directs the Secretary to give preference to a State intending to establish the Center at a land-grant university, and that—

(1) operates a forestry program;

(2) operates forest regeneration research programs;

(3) employs research personnel in nursery seedling research; and

(4) has a regional communications system.

The bill requires the Southern Forest Regeneration Center to study forest regeneration and productivity problems in the southern regions of the U.S.

The Secretary is required to prepare and submit a plan to Congress on the implementation of the Center's recommendations to carry out regeneration activities.

The provision directs the Secretary to establish additional centers at the Secretary's discretion.

The Senate bill requires the Secretary to report to Congress annually on the forest regeneration research activities that are conducted pursuant to the Plan, and authorizes such sums as may be necessary to carry out the Center's duties. (Sec. 1525–1530)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to eliminate the planning and report requirements. The substitute also deletes the provision for preference in the selection of a grant recipient. (Sec. 1242)

(24) Southern Forest Productivity Grant Program

The Senate bill authorizes a southern forest productivity grant program that allows competitive grants to be given for southern forest regeneration research. (Sec. 1531)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

The Managers recognize the importance of the Southern Forest Productivity priority research program now underway within the Forest Service. This program of accelerated research focusing on protecting and increasing the productivity of southern forest lands was jointly developed by the Forest Service and the schools of forestry in the southeast. As originally planned, this priority research program included a cooperative research component through which research funds would be competitively awarded to forestry schools and colleges, industry and other research entities to compliment the research on southern forest productivity being conducted by the Forest Service. This competitive grant program has not yet been implemented although the Forest Service has the authority to do so under existing law.

To fully realize the goals and objectives of the Southern Forest Productivity research program the Managers direct the Forest Service to establish and administer a competitive grants component under this priority research project in FY 1991. The Managers expect the Forest Service to continue this competitive grants program for a minimum of three years with an annual appropriation of $2.5 million.

(25) Center for Semiarid Agroforestry Research, Development, and Demonstration.

The Senate bill directs the Secretary to establish a Center for Semiarid Agroforestry Research, Development in Lincoln, Nebraska. The Center, under the Forest Service's direction will work with State and private foresters, international foresters, Great Plains universities experiment stations and other USDA agencies.

The bill authorizes $5 million per year to be appropriated for agroforestry research. (Sec. 1541)

The House amendment is similar to the Senate bill but authorizes such sums to be appropriated as are necessary to carry out the amendment. (Sec. 1513)

The Conference substitute adopts the House provision with technical amendments and an amendment authorizing appropriations of $5,000,000 annually. (Sec. 1243)

(26) Forest Land Protection

The Senate bill directs the Secretary to conduct a study of the New York-New Jersey Highlands region of New Jersey, New York, and Pennsylvania. The Study should include an identification and assessment of forest resources of the region, historical land ownership patterns, the likely impacts of changes in land ownership and management on traditional land use patterns, and alternative conservation strategies. The Secretary shall provide for public participation. The Study is to be completed within 12 months. The bill authorizes a $250,000 appropriation. (Sec. 1545)

The House amendment contains similar provisions but no deadline for completion of the study. The House amendment also authorizes the Secretary to continue support for the study of changing land ownership and management patterns in the northern forest lands of Maine, New Hampshire, New York, and Vermont.

The amendment authorizes such sums as necessary. (Sec. 1506)

The Conference substitute adopts the House amendment with a modification to authorize appropriations of $250,000 for the New York-New Jersey Highlands study. (Sec. 1244)

(27) Presidential Commission on State and Private Forestry

The House amendment directs the President to establish a Commission of State and Private Forests (Commission) which shall assess the status of the nation's State and private forest lands, the problems affecting these lands, and the potential contribution of these lands to the nation's renewable natural resource needs associated with their improved management and protection.

The provision describes the composition of the Commission, to consist of 15 members, appointed by the President. Members are to include Federal, State, and local officials, timber industry representatives, nonindustrial private forest landowners, conservationists and community leaders. No more than 5 members are to come from any one State and not fewer than 20 are to come from a list of nominations provided by Members of Congress, including—

(1) the Chairman of the Committee on Agriculture of the House of Representatives;

(2) the Ranking Minority Member of the Committee on Agriculture of the House of Representatives;

(3) the Chairman of the Committee on Agriculture, Nutrition, and Forestry of the Senate; and

(4) the Ranking Minority Member of the Committee on Agriculture, Nutrition, and Forestry of the Senate.

Vacancies must be filled by appointment by the President.

The amendment further:

Directs the Commission to elect a chairperson from among the members of the Commission by majority vote.

Directs that the Commission meet at the call of the chairperson or a majority of the members.

Directs that the Commission meet at the call of the chairperson or a majority of the members.

Directs the Commission to conduct a study to include—

(1) an assessment of the current status of the nation's State and private forest lands, including ownership status and past and future trends, renewable natural resource inventories, the production of timber and non-timber resources from such lands, and landowners attitudes toward the protection and management of these lands;

(2) a review of the problems affecting the nation's State and private forest lands including resource losses to insects, disease, fire, and damage, inadequate reforestation, fragmentation of the forest land base, and constraints on management options; and

(3) recommendations for addressing the problems and capitalizing on the potential of these lands for contributing to the nation's renewable natural resource needs.

The amendment further directs the Commission to make findings and develop recommendations for consideration by the President and requires the Commission to submit a report to the President no later than December 1, 1991, which the President will then transmit to the Committee on Agriculture in the House and the Committee on Agriculture, Nutrition, and Forestry in the Senate.

The amendment describes the operations of the Commission in general and directs the heads of executive agencies, the General Accounting Office, the Office of Technology Assessment, and the Congressional Budget Office to provide the Commission with such information as it may require to carry out its duties.

The House amendment stipulates that the Commission members are to serve without compensation, but shall be allowed travel expenses while away from their homes or place of normal business in performance of duties of the Commission.

In addition, to the extent there are sufficient funds available to the Commission, the Commission may appoint and fix compensation for a Director and such additional personnel as the Commission determines necessary to carry out its duties. On the request of the Commission, staff may be provided by the heads of executive agencies and other offices, on a non-reimbursable basis, to assist the Commission in carrying out its duties and functions.

The amendment authorizes such sums as are necessary to implement this section.

It further provides for termination of the Commission 90 days following the submission of its report to the President. (Sec. 1510)

The Senate bill contains no comparable provision.

The Conference adopts the House amendment with amendments requiring the Commission to use existing inventories, review the impact of forest land conversion, and other technical changes. The delivery date for the Commission report was changed to December 1, 1992. (Sec. 1245)

(28) Blue Mountain Natural Resources Institute

The Senate bill contains no similar provision.

The House amendment directs the Secretary to establish a research, development, and application program for the forests and rangelands in Oregon and Washington located east of the Cascade Crest, to be headquartered in La Grande, Oregon.

The amendment directs the Secretary to establish and carry out the program in consultation and cooperation with Federal, State, and local agencies, universities, and the private sector. In addition, the Secretary is directed to establish an advisory committee to assist in formulating plans for implementation. (Sec. 1511)

The Conference adopts the House amendment with an amendment to direct the Secretary to establish an Institute to address the research needs of eastern Oregon and eastern Washington. (Sec. 1246)

(29) International Forest Products Trade Institute

The House amendment directs the Secretary to establish an International Forest Resources Institute (Institute) to be operated by the State University of New York College of Environmental Science and Forestry.

It directs that the Institute be comprised of the State University of New York College of Environmental Science and Forestry.

The amendment directs the Institute to—

(1) emphasize application of existing knowledge to the manufacturing and international marketing of forest products as well as conduct new research related to the competitiveness of the northeastern forest products industry;

(2) study and evaluate domestic and international forest sector, agroforestry, development, economic and trade policies;

(3) design, analyze and test technologically appropriate manufacturing, processing, and marketing systems which enhance opportunities for markets in forest products;

(4) formulate and test management strategies for United States forests and for manufacturing facilities that promote rational use, and long term maintenance, of globally important forests; and

(5) design and analyze specific policies for critically important forest in the world with respect to forest sector, agricultural, development, and economic policies.

Such sums are authorized as may be necessary to carry out the Institute's programs. (Sec. 1512)

The Senate bill contains no comparable provision.

The Conference adopts the House amendment with an amendment to authorize establishment of an Institute and other technical changes. (Sec. 1247)

CHAPTER 3—EDUCATION

(30) Extension

The Senate bill amends the Renewable Resources Extension Act by inserting a section that augments USDA Extension Service educational programs.

The bill authorizes the Secretary to expand existing forestry and natural resources education programs of the Extension Service and State Cooperative Extension Service, in cooperation with State foresters, school boards and universities. The Secretary is required to ensure that expanded programs include activities that—

(A) demonstrate the concepts of sustainable natural resources management;

(B) conduct comprehensive environmental citizen education programs for environmentally positive activities; and

(C) improve the capacity of schools, local governments and agencies to deliver forestry and natural resource information.

It amends existing law by requiring a comprehensive natural resource and environmental education program with an emphasis on you[illegible]

In [illegible]dition, the Senate bill amends existing law to require that the Extension Service's plan address water quality protection and natural resource and environmental education for landowners, managers, public officials and the public. (Sec. 1535)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate bill with technical amendments. (Sec. 1251)

(31) Forestry Student Grant Program

The Senate bill amends the Forest and Rangeland Renewable Resources Research Act by establishing a Forestry Student Grant Program. The Program provides expanded assistance for forestry, natural resources, and environmental science education.

Provides that grants be targeted to assist graduate and undergraduate minority and female students, giving priority to students whose studies concentrate in—

(1) biology of forest organisms;
(2) ecosystem function and management;
(3) human-forest interactions;
(4) international trade, competition, and cooperation; and
(5) wood as raw material.

Authorizes such sums to be appropriated as may be necessary to implement the Student Grant Program. (Sec. 1536)

The House amendment contains no comparable provision.

The Conference adopts the Senate provision with technical modifications, and with an amendment changing the listed priority subjects as subjects eligible for student grants.

Subtitle C—America the Beautiful

(32) Findings and Purposes

The Senate bill's purposes are to: (1) award the Foundation a grant to solicit, accept, and administer public and private sector grants; (2) promote public awareness and volunteerism by awarding grants and support to non-governmental organizations; (3) preserve unique natural resources and environments; (4) award matching grants to nonprofit organizations; and (5) award grants to municipalities that have developed an urban forestry plan. (Sections 1581-1583)

The House amendment contains no comparable provisions.

The Conference substitute adopts the Senate bill with technical modifications. (Sections 1261-1263)

(33) Foundation

The Senate bill sets out to—

(1) award a Foundation a grant to solicit, accept, and administer public and private sector grants;

(2) promote public awareness and volunteerism by awarding grants and support to non-governmental organizations;

(3) preserve unique natural resources and environments;

(4) award matching grants to nonprofit organizations; and

(5) award grants to municipalities that have developed an urban forestry plan.

The bill authorizes the President to designate a private nonprofit foundation ("Foundation") as eligible to receive funds to carry out the purposes of the Foundation.

In addition, it prohibits the construction of anything in the law to make the Foundation an agency or instrumentality of the United States Government, or to make officers, employees, or members of the board of directors of the Foundation officers or employees of the United States.

The bill authorizes the Secretary to make a grant not to exceed $25 million from amounts appropriated for FY 91 to the Foundation. Limits the use of funds to carrying out the purposes of this Act and any administrative expenses in carrying out such purposes.

The Foundation is authorized, notwithstanding any other provision of law, to hold funds in interest-bearing accounts, prior to the disbursement of the funds and to retain any interest earned on the accounts to carry out such purposes.

Outlines eligibility criteria for the Foundation to meet in order to receive the one year grant. To receive the grant, the Foundation must: only use funds to meet the purposes of this Act; not accept payments from outside sources to compensate officers or employees of the Foundation; not issue any shares of stock or declare or pay any dividends; assure that no part of Foundation funds shall inure to the benefit of any board member, officer, or employee except as salary or reasonable compensation for services rendered; not engage in lobbying or propaganda; have its accounts audited annually; have the financial transactions under the grant be audited by any federal agency designated by the President; ensure that each recipient of assistance maintain separate accounts for such assistance and give the Foundation, or its duly authorized representative, access to such accounts; and prepare annual reports. (Sec. 1584)

The House amendment establishes a foundation similar to the Senate bill, but also directs the Secretary to ensure that the officers of the Foundation have the experience and expertise necessary to direct the activities of such Foundation.

The House amendment also specifies that the Foundation may use its funds only for making grants to "qualified organizations", defined as those that meet the requirements of section 501(c)(3) of the Internal Revenue Code and that have demonstrated a capability to provide at least one-half of the total cost of the project or program for which the Foundation funds will be used. The House amendment also provides that trees planted pursuant to a program receiving funds under the Foundation may not be commercially harvested and sold for Christmas trees. (Section 1509).

The Conference adopts the House amendment with technical modifications. (Sec. 1264)

(34) Rural Tree Planting and Forest Management Program

The Senate bill establishes a rural tree planting forest improvement, and stewardship program as special components of the Rural Forestry Assistance Program and Forest Stewardship Incentives Program under sections 3 and 4 of the CFAA (as amended by FACT). Authorizes the Secretary of Agriculture to provide financial, technical, and related assistance to State foresters to assist nonindustrial private landowners in managing their forests for multiple uses. (Sec. 1585)

The House amendment contains no comparable provision in the America the Beautiful provisions.

The Conference adopts the Senate bill with a ten year authorization, an amendment providing that the program is to be established as a special component of the stewardship and stewardship incentives programs, and other technical amendments. (Sec. 1265)

(35) Community Tree Planting

The Senate bill authorizes the Secretary to use section 12 of the CFAA (as redesignated by section 1514) and issue any regulations that may be necessary to carry out the provisions of the America the Beautiful Act.

The House amendment contains no comparable provision.

The Conference adopts the Senate bill with a ten year authorization, an amendment providing that the program is to be established as a special component of the urban and community forestry assistance program under CFAA, as amended, and other technical modifications. (Sec. 1266)

(36) General Provisions and Appropriations

The Senate bill provides general authority for the Secretary to implement the program, and authorizes such sums as may be necessary to implement the provisions on tree planting, including rural tree planting and community tree planting. (Sections 1587 & 1588)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provisions.

Subtitle D—Miscellaneous Provisions

(37) Emergency Reforestation Program

The Senate bill authorizes the Secretary to establish an emergency reforestation program for forest lands damaged by natural disasters.

Directs the Secretary to share cost of implementing forestry practices set forth in a required forest management plan. Limits cost share to 75 percent of actual costs.

Makes owners of 1,000 acres or less of private forest land eligible for cost share assistance. Owners of more than 1,000 acres but no more than 5,000 acres are eligible if significant public benefit will accrue. Assistance is available only to owners with an inability to pay. The Landowner must cooperate with State forester or equivalent State official to develop a forest management plan, which will be the basis for agreements between the owner and the Secretary. The maximum amount any individual may receive will be determined by the Secretary in consultation with the Emergency Reforestation Committee. Defines "Emergency Reforestation Committee" as a committee of at least five State foresters or equivalent State officials who represent diverse geographical interests and who are selected by a majority of the State foresters or equivalent State officials from States participating in programs under the CFAA.

Defines "Forestry Practice" as site preparations, reforestation of damaged stands, timber stand improvement, including thinning, burning and other practices approved by the Secretary. The bill defines "Natural Disaster" as a condition described in the Robert T. Stafford Disaster Relief and Emergency Assistance Act. Defines "Private Forest Land" as land capable of producing commercial crops of industrial wood and owned by any private individual, group, Indian tribe, or other native group, association, corporation, or other legal entity, except Federal, State, or local government agencies.

Requires the Secretary to issue regulations as soon as practicable after enactment of this subtitle.

Allows landowners to be reimbursed for reforestation practices that were implemented prior to the enactment but the Secretary may not reimburse for reforestation prior to September 1, 1989.

Authorizes the Secretary to provide assistance under this section to eligible landowners that suffer destruction of 35 percent or more of a tree stand due to damaging weather, related conditions (defined as insect infestation, disease or other deterioration exacerbated by damaging weather) or wildfire in the form of either reimbursement of up to 65 percent of the cost of reestablishing such damaged tree stand for losses in excess of 35 percent mortality or provision of sufficient tree seedlings, as determined by the Secretary, to reestablish such tree stand.

Defeines "eligible landowners" to mean a person that produces annual crops from trees for commercial purposes and owns five hundreds acres or less of such trees or owns one thousand acres or less of private forest land. Limits the amount of assistance which any person could receive under this section to no more than $25,000, or an equivalent value in tree seedlings. In addition, a person who has qualifying gross revenues in excess of $2,000,000 annually, as determined by the Secretary, shall not be eligible to receive assistance. Defines "qualifying gross revenue" as gross revenue from farming, ranching, and forestry operations, if a majority of the person's annual income is received from such operations, or gross revenue from all sources if less than a majority of the person's annual income is received from farming, ranching, and forestry operations.

Directs the Secretary, for the purpose of implementing this section, to issue regulations that—

(1) define "person" in accordance with regulations issued under the FSA of 1985,

(2) prescribe a fair and reasonable application of the limitations established under section 1503(c), and

(3) ensure that no person receives duplicative payments under section 1503 and the Forestry Incentives Program, Agricultural Conservation Program, or other existing Federal program.

The Senate bill authorizes to be appropriated such sums as may be necessary for disaster relief. (Sec. 1561)

The House amendment authorizes the Secretary to provide assistance under this section to eligible landowners that suffer destruction of 35 percent or more of a tree stand due to damaging weather, related conditions (defined as insect infestation, disease or other deterioration exacerbated by damaging weather) or wildfire in the form of either reimbursement of up to 65 percent of the cost of reestablishing such damaged tree stand for losses in excess of 35 percent mortality or provision of sufficient tree seedlings, as determined by the Secretary, to reestablish such tree stand.

The amendment defines "eligible landowners" to mean a person that produces annual crops from trees for commercial purposes and owns five hundred acres or less of such trees or owns one thousand acres or less of private forest land. The amendment limits the amount of assistance which any person could receive under this section to no more than $25,000, or an equivalent value in tree seedlings. In addition, a person who has qualifying gross revenues in excess of $2,000,000 annually, as determined by the Secretary, shall not be eligible to receive assistance. The provision defines "qualifying gross revenue" as gross revenue from farming, ranching, and forestry operations, if a majority of the person's annual income is received from such operations, or gross revenue from all sources if less than a majority of the person's annual income is received from farming, ranching, and forestry operations.

The amendment directs the Secretary, for the purpose of implementing this section, to issue regulations that: (1) define "person" in accordance with regulations issued under section 1001 of the FSA of 1985, (2) prescribe a fair and reasonable application of the limitations established under section 1503(c) and (3) ensure that no person receives duplicative payments under section 1503 and the Forestry Incentives Program, Agricultural Conservation Program, or other existing Federal program. (Section 1503)

The Conference substitute adopts the House substitute with modifications to incorporate the Senate provisions regarding definition of forestry practices, secretarial discretion for assistance to landowners of 1000 to 5000 acres, and retroactive assistance to September 1, 1989. (Sec. 1271)

(38) Talladega National Forest Expansion

The Senate bill requires the Secretary of Agriculture to acquire lands within the Talladega National Forest to protect and manage those lands for multiple uses. The acquisitions should be made commensurate with appropriated and donated funds. The Secretary may exclude lands from acquisition if such lands are not manageable and if impacts on private property rights are determined to be unacceptable. (Sec. 1571)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate bill with technical changes and an amendment stating the sense of Congress that the Secretary should acquire the lands on a willing seller basis without undue delay. (Sec. 1272)

TITLE XIII—FRUITS, VEGETABLES, AND MARKETING

Subtitle A—Fruits and Vegetables

(1) Declaration

The Senate bill provides that the domestic production of fruits and vegetables is an integral part of U.S. farm policy. (Sec. 1711)

The House amendment is similar, providing that fruit and vegetable production is an "integral part" of U.S. farm policy. (Sec. 1401)

The Conference substitute adopts the House provision.

(2) Study of the Fruit and Vegetable Industry

The Senate bill requires a study to include reviews of (A) the availability of adequate labor supply; (B) the availability and adequacy of crop insurance or disaster assistance; (C) the scientific and technological advances related to the production of fruits and vegetables; (D) the availability of safe and effective chemicals for use in the production of fruits and vegetables; (E) the requirements and cost of labeling fruits and vegetables in the industry and benefits of labeling to consumers; (F) Federal educational programs that teach the importance of fruits and vegetables to a proper diet. (Sec. 1714)

The House amendment is similar to the Senate provisions, except that it requires special emphasis on the value of national uniformity of fruits and vegetables when studying the availability of safe and effective chemicals. (Sec. 1404)

The Conference substitute adopts the House provision with minor changes by striking "with special emphasis" and adding, "with an evaluation."

(a) Study

The Senate bill requires the Secretary to report the results of the study not later than 18 months after the date of enactment of this subtitle to the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate. (Sec. 1714 (b))

The House amendment is similar to Senate provisions, except that the report is to Congress rather than specific Committees. (Sec. 1404 (b))

The Conference substitute adopts the House provision.

(b) Report

The Senate bill requires the Secretary of Agriculture to conduct a study of the Federal programs that provide market enhancement assistance (similar to EEP) to producers of domestic fruit and vegetable commodities.

It also requires a report to Congress within 180 days after enactment containing; (1) the results of the study conducted under subsection (a); (2) recommendations of the Secretary concerning the manner in which producers not receiving assistance could participate in such programs; and (3) recommendations to the Secretary concerning the establishment of additional programs to assist producers of domestic fruits and vegetables in increasing their production and expanding domestic and foreign markets. (Sec. 1715)

The House amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment to include in the "Study of the Fruit and Vegetable Industry" the requirement to the Secretary to report on the availability of current programs, and the potential addition of future programs that provide market enhancement assistance to the producers of fruits and vegetables.

(3) 1305. Programs on Labeling of Agricultural Products

The Senate bill provides that this section may be cited as the "Grown in the United States Labeling Act of 1990."

The House amendment contains no comparable provision.

The Senate bill requires the Secretary in cooperation with the Commissioner of Food and Drug, not later than 6 months after the date of enactment of this title, to establish a program to be known as the "Grown in the United States Food Labeling Program," under which food processors, producers, and sellers may label food products as "Grown in the United States" or as "Made of Ingredients Grown in the United States."

Likewise, it provides that a food product that contains a significant amount of imported ingredients, as determined by the Secretary, shall not be eligible for the program.

It requires the Secretary in cooperation with the Commissioner to conduct a comprehensive review of all existing Federal country of origin food labeling requirements and prepare and submit a report containing an analysis of the adequacy of such laws to Congress. (Sec. 1716)

The House amendment requires the Secretary of Agriculture to implement a nationwide 2-year pilot program during which time perishable agricultural products (fresh fruits and vegetables) are labeled or marked as to their country of origin. Within 18 months after the completion of the pilot program the Secretary shall study the results of the program and shall submit the results to Congress. It also requires that the country of origin of perishable produce is indicated on the commodity or container of the commodity and visible at point of sale to the purchaser.

It requires the labeling program to apply to imported and domestic perishable products and that it applies to products in compliance with section 304(a) of the Tariff Act of 1930. In addition, it exempts products from labeling requirements that are placed on the J-list of the Tariff Act of 1930. (Sec. 1405)

The Conference substitute adopts the House provision with an amendment authorizing the Secretary to implement a program defining the conditions under which non-perishable agricultural products may be designated "Grown in the U.S." and making the section subject to appropriations.

(4) Enforcement of Handler Assessments

The Senate bill contains no comparable provision.

The House amendment amends section 8c(14) of the Agricultural Marketing Agreement Act of 1937 to extend the current authority of the Department of Agriculture and the federal courts to assess civil fines and penalties against any handler subject to a Federal marketing order to include the non-payment of handler assessments under such an order. (Sec. 1412)

The Conference substitute adopts the House provision.

(5) Kiwifruit and Other Fruit

The Senate bill amends section 8e(a) of the Agricultural Adjustment Act (7 U.S.C. 608e–1) to include kiwifruit, nectarines, plums, pistachios, apples and papayas (except papayas grown in the CBI). (Sec. 1721)

The House amendment contains no comparable provision.

The Conference adopted the Senate provision with an amendment to strike papayas.

(6) Marketing Orders

The Senate bill amends section 8e of the Agricultural Adjustment Act (7 U.S.C. 608e-1) to require the Secretary to notify the USTR prior to implementing marketing order regulations to imports to ensure they are consistent with trade agreements in effect. The USTR is given 30 days to respond before implementation of the restrictions proceeds. (Sec. 1730A.)

The House amendment contains no comparable provision.

The Conference substitute adopted the Senate provision with an amendment to require the USTR to provide advice to the Secretary within 60 days, and to provide that the Secretary may implement the prohibition or regulation only after receiving the advice and concurrence of the USTR. This new provision only applies to prospective marketing order determinations by the Secretary, including any modifications to marketing orders currently in effect.

(7) Products Produced in Distinct Geographic Areas

The Senate bill prohibits the labeling, packaging, classification, sale, etc., of any onion as "Vidalia" unless they are produced in the area defined in the USDA marketing order for Vidalia onions, and are otherwise consistent with that order. (Sec. 2195)

The House amendment contains no comparable provision.

The Conference substitute deleted the Senate provision with an amendment to require that in the case of an agricultural commodity subject to a Federal marketing order, traditionally identified as being produced in a distinct geographic area, State, or region, which has a unique identity, based on such distinct area that has been promoted with funds collected through producer contributions, no person may use the name of the unique name or geographic designation of such commodity or product to promote the sale of a similar commodity or product outside such area, State, or region.

Section 1309(b) provides that a violation of this section shall be considered a violation of paragraphs (4) and (5) of section 2 of the Perishable Agricultural Commodities Act (7 U.S.C. 499b).

Section 1309(c) provides that a person bringing a complaint shall reimburse the Secretary for any or all costs associated with the enforcement of this section.

Section 1309(d) provides that the Secretary shall not increase any fees charged under the Perishable Agricultural Commodities Act to offset costs associated with the operation of this section.

Section 1309(f) provides for the Secretary to promulgate regulations to carry out this section.

This provision is the result of the Managers growing concern for the marketing and labeling of fruits and vegetables that may mislead consumers about the authenticity of such produce.

Individuals who market fruit and vegetables outside of marketing orders receive, at no cost to themselves, the same benefits as those producers who operate in compliance with marketing orders that require mandatory assessments. Furthermore, this misleading labeling jeopardizes the future integrity of the market for those operating within the existing regulations of the marketing orders.

Subtitle B—National Laboratory Accreditation

The Senate bill requires the Secretary to establish a program to certify laboratories that conduct residue testing, or make claims concerning residue levels, on agricultural products. The Secretary is required to consult with the administrators of the FDA and EPA in establishing minimum standards for laboratories. Government operated laboratories, private laboratories that do not make claims to the public based on residue analysis, and laboratories that perform analysis for research or quality control, are exempt.

The amendment requires laboratories to apply to the Secretary for accreditation, and to successfully complete certain tests required by the Secretary, including performance evaluation tests.

Each laboratory that performs, brokers or otherwise arranges for pesticide chemical analysis of food shall report to the Secretary, and to the owner of such food, any finding of residue; (a) for which no chemical tolerance has been established by the EPA; (b) which is in excess of residue tolerances established by EPA; or (c) for which chemical residue tolerance is revoked or otherwise not permitted for use by EPA.

The Secretary shall provide standardized reporting guidelines to laboratories. Laboratories shall reimburse the Secretary to help offset the cost of the program through an accreditation fee. States or local government-owned laboratories working only in a reference capacity shall be exempt.

The amendment also calls for the laboratory evaluations conducted by the Secretary to be made available to the public on request. (Sec. 1731)

The Conference substitute adopts the Senate provision with amendments: the term agricultural products is defined as any "fresh fruit or vegetable or any commodity or product derived from livestock or fowl that is marketed in the U.S. for human consumption;" "Laboratory" is defined; and the analysis on agricultural products should be for commercial purposes.

The amendment also strikes the "Reference Laboratory" section and directs the Secretary under the "Establishment of the Program" to administer a National Laboratory Accreditation Program.

The Secretary of the HHS is responsible for developing and promulgating the standards for the National Laboratory Accreditation Program. The Conference managers expect that such standards shall include, but not be limited to: laboratory facilities and equipment; scientific and analytical methodologies; qualifications, training and supervision of personnel; provisions for handling samples; record keeping; the circumstances (if any) under which work may be subcontracted; and in-house quality assurance mechanisms. The Secretary of the HHS is also responsible for the standards for the quality assurance programs, including performance evaluations, which will be used as the basis for certification. The Managers believe that "blind" performance evaluations, where laboratories are not aware that they are being evaluated, is the only means of ensuring an adequate and reliable program. Quality assurance may also be provided by on-site inspections of both physical facilities and records.

In order to conduct such quality assurance programs, in particular the preparation and distribution of performance evaluation samples, it is necessary to have access to a number of high quality laboratories and personnel. To this end, the Managers provide that the Secretary of HHS may approve State and private entities as accrediting bodies to act on the Secretary's behalf in implementing the certification and quality assurance programs in accordance with the requirements of this provision.

Under "Requirements," laboratories are required to prepare and submit an application for accreditation to the Secretary, and comply with such terms and conditions as are determined to be necessary by the Secretaries of the USDA and HHS.

The Conference substitute strikes the "Interim Accreditation" subsection. It requires the Secretary to deny an application for accreditation or revoke any existing accreditation that fails to meet the requirements for accreditation. It also strikes the "Duration of Accreditation" and "Renewal of Accreditation" subsections. The substitute provides that the Secretary shall ensure that performance evaluation samples are provided to any laboratory that has applied for accreditation.

The Managers note that performance evaluation samples are samples that laboratories seeking accreditation must test as an evaluation of their ability to accurately analyze products. The Managers have ensured that the facilities of qualified accredited bodies will be available to the Secretary for this purpose.

In the "Review for Accreditation" subsection the Secretary must ensure that performance evaluation samples for analysis are provided to accredited laboratories to enable them to continue their certification. The waiting period for application for a laboratory that has lost or been denied accreditation is extended to six months. The agreement also makes conforming technical amendments.

The results of laboratory evaluations conducted by the Secretary shall be made available to the Secretary of the HHS, the Secretary of Agriculture, and the public, on request. Nothing shall substitute for or affect the current authorities of the Secretary of the HHS under the Food, Drug, and Cosmetic Act (FFDCA) with regard to the regulation of pesticide residues on foods, the labeling of such foods, and any health-based claims regarding such foods. However because accredited laboratories will be in a position to know about violations of the FFDCA, it is a necessary requirement that the laboratories report such information promptly to the Secretary of the HHS.

This is a voluntary program, but one which will require the resources of several agencies. The Managers expect the Secretaries to make every effort to minimize this. Accordingly, it is crucial that fees for this program are carefully set, and regularly re-examined, to offset all costs.

Subtitle C—Cosmetic Appearance

The Senate bill is titled the "Agricultural Marketing Research and Reform Act of 1990." It defines the term "cosmetic," and it requires, among other things, that the Secretary conduct research, including field projects, on the effects of grade standards and other regulations governing cosmetic appearance on pesticide use in the production of perishable commodities, and the extent of consumer preference for commodities produced by low-input methods. The Secretary shall also disseminate the results of valid research already conducted in these areas to reduce duplications of efforts. A temporary advisory panel is established to review and recommend policies to carry out these activities. The bill also authorizes $4 million annually to carry out the activities and request that the Secretary report to Congress on the findings of the research. (Sec. 1725)

The House amendment is similar to the Senate provision, except that of the statement of policy. It also does not require annual reports on pending grade standard changes to interested parties, and authorizes such sums as necessary to carry out these activities. (Sec. 1861)

The Conference substitute adopts the Senate provision with an amendment to strike the statement of policy, and requires reports on proposed changes to grade standards during 1992, 1993, and 1994.

Subtitle D—Miscellaneous

(8) Amendment to the Perishable Agriculture Commodities Act

The Senate bill amends PACA by providing that operating balances and interest earned may be invested by the Secretary of the Treasury, in public debt securities, bearing interest at rates determined by the Secretary of the Treasury. Such investments must be requested by the Secretary of Agriculture, who will also determine the maturities of the investments. Interest earned shall be used to pay for the services provided under the Act. (Sec. 1961)

The House amends PACA to provide that any reserve fund in the PACA Fund may be invested by the Secretary of Agriculture in insured or fully-collaterized interest-bearing accounts or, at the discretion of the Secretary, by the Secretary of the Treasury in United States Government debt instruments. The amendment also requires that any interest earned on such reserve funds be credited to the PACA Fund and be available for the same purposes as the fees deposited in the fund under that Act. (Sec. 1411)

The Conference substitute adopted the House provision.

(9) Wine and Winegrape Industry Study

The Senate bill requires the Secretary to conduct a study to determine the most effective manner in which the USDA may work with and support the U.S. wine and wine grape industry. Such study must evaluate existing programs to support the industry, consider new methods or programs to enhance processing and expand markets, and consult with local, State, and national associations of the industry. The Secretary must report to the Agriculture Committees by December 31, 1991. (Sec. 1973)

The House amendment is similar but directs the Secretary to give special emphasis to studying States or other geographic areas that have not traditionally had a wine or wine grape industry. (Sec. 1413)

The Conference adopted the House provision.

(10) Use of U.S. Produced Fruits and Vegetables

The Senate bill, among other things, provides a Sense of Congress that food procurement offices of each agency or department of the Federal government should intensify efforts to purchase from U.S. sources of fruits and vegetables. (Sec. 1717)

The House amendment contains no comparable provision.

The Conference deletes the Senate provision.

(11) Circle of Poison

Pesticide Export Reform

Definitions

The Senate bill adds definitions for Country of Use and Exporter, and amends the definition of Misbranded to reflect language-specific label requirements, under section 2 of the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA).

The House amendment is the same as the Senate.

The Conference substitute deletes the Senate and House provision.

Requirements for Registration of Establishments

The Senate bill amends section 7 of FIFRA to require manufacturers of pesticides to report annually to the Administrator on the types and quantities of pesticides produced for export, and the date and quantities of exports over the most recent year. (Sec. 1756)

The House amendment is the same as the Senate.

The Conference substitute deletes both the Senate and House provision.

Protection of Trade Secrets

The Senate bill amends section 10 FIFRA to require that information collected under section 17(a)(6)(C) of the Act, with regard to the export of particularly hazardous pesticides, and information obtained under section 7(c)(1)(B)(ii) of the Act, on prior year pesticide production, shall not be considered confidential information protected under subsection (b) of FIFRA.

The House amendment is the same as the Senate except that it also provides that data, summaries and reviews for unregistered pesticides permitted to be exported by the House bill be made available to the public.

The Conference substitute deletes both the Senate and House provision.

Unlawful Acts

The Senate bill makes violations of new section 17 import/export controls unlawful acts under enforceable under section 12 of FIFRA.

The House amendment is the same as the Senate.

The Conference substitute deletes both the Senate and House provision.

Requirements for the Export of Pesticides

Preparation and Packaging

The Senate bill amends section 17(a) and 17(b) of FIFRA to require that pesticides intended for export meet the legal preparation and packaging requirements of the foreign government of the country of use, as well as EPA regulations and conditions of the purchaser.

The House amendment is the same as the Senate.

The Conference substitute deletes both the Senate and House provision.

Registration or Tolerance

The Senate bill provides that in order to be exported, a pesticide must have an EPA registration under section 3 of FIFRA, a U.S. food tolerance for a raw agricultural commodity under section 408 of Federal Food Drug and Cosmetic Act (FFDCA), or a U.S. food tolerance for a processed food under section 409 of FFDCA. If the pesticide is to be exported for use in agricultural production, the EPA registration must be for food use.

In the case of a pesticide for which the Administrator has delayed a suspension or revocation of a tolerance or exemption issued under FFDCA section 408, and for which a temporary "pipeline tolerance" has been established to allow existing food inventories to be sold, the pesticide could not be exported based on that temporary tolerance.

The House amendment allows pesticide exports on the same basis as the Senate bill, except that: (1) it does not provide for the export of a pesticide that has an EPA tolerance established under section 409 of FFDCA; and (2) it provides an additional mechanism for the export of unregistered pesticides.

A pesticide not registered in the U.S. can be exported if all of the following conditions are met: (1) it has not: been denied a registration; failed to have a registration granted due to EPA concerns of adverse human health effects; or had a registration canceled or suspended; (2) the exporter has provided sufficient data on health and safety effects to make a preliminary assessment of human health effects (data may be based on either U.S. or foreign standards); (3) the exporter has provided all known residue detection methods; (4) the active ingredients in the pesticide are registered for any use in an Organization for Economic Cooperation and Development (OECD) country; (5) the Administrator has preliminarily determined the pesticide does not pose an unreasonable risk to human health; (6) there is a practical residue testing method; (7) upon request of the country of use, all information is made available to them; and (8) the country of use has agreed to the import of the pesticide. Agreement by a foreign country to import an unregistered pesticide is in effect for up to two years, unless rescinded or changed by the foreign country.

The Conference substitute deletes both the Senate and House provision.

Prior Informed Consent

The Senate bill requires the Administrator of EPA to implement procedures for notification and regulation of certain pesticides. For "particularly hazardous pesticides" with an EPA registration or tolerance, if it is the first shipment of the pesticide to a foreign country in the calendar year, the Administrator must notify the foreign government of the intended shipment. If the foreign government notifies the Administrator that it does not wish to receive the pesticide and will not otherwise produce or import the pesticide to that country, the Administrator shall publish such notice in the Federal Register, and the pesticide shall not be exported unless the foreign country notifies the Administrator differently. No reply is considered consent.

Notices to foreign governments shall include the common or trade name of the chemical in the country of use and its active ingredients; the producer; the exporter; the foreign purchaser; intended date and quantity of shipment; manner of transport; country of use; and the raw commodity on which the pesticide is likely to be used.

The House amendment is the same as the Senate, except that for the export of unregistered pesticides written approval must be received from the country of use prior to the export. Notices to foreign governments must include a statement that data on unregistered pesticides, allowed to be exported under section (2)(A)(ii), is available on request from EPA.

The Conference substitute deletes both the Senate and House provision.

Labeling

The Senate bill requires labels on exported pesticides to be written in an official language of the country of use and to contain all information required by section 3 of FIFRA for a pesticide used in the U.S (if not in conflict with requirements of country of use).

The House amendment requires labels to be written in English and the official language of the country of use, or in the major language of the international relations of the country of use; and to be in compliance with section 3 requirements under FIFRA where determined by the Administrator to be applicable to the country of use.

The Conference substitute deletes both the Senate and House provision.

Control of famine or communicable disease

The Senate bill provides that on the request and certification of the country of use, unregistered pesticides may be exported for use on a temporary basis to prevent or control the spread of a communicable disease or famine.

The House amendment is the same as the Senate bill.

The Conference substitute deletes both the Senate and House provision.

Experimental use

The Senate bill provides that, in order for a pesticide to be exported for research or experimental use, similar information as that required for a domestic experimental use permit must be provided to the Administrator and forwarded to the proposed country of use. The country of use must approve the experimental use in writing to the Administrator and the exporter. The pesticide may be exported once consent is received from either the Administrator or country of use. Following receipt of consent, the Administrator must publish in the Federal Register that the pesticide will be used for research or experimental use, including the consent of the country of use, and the identity of the producer and the exporter of the pesticide.

The House amendment is the same as the Senate except that the Administrator is not required to release information on pesticides exported for experimental use.

The Conference substitute deletes both the Senate and House provision.

Notices of Regulatory Change to Foreign Governments

The Senate bill requires the Administrator, rather than the State Department, to transmit notices of significant changes in registration status, or an interim administrative review for a pesticide, to the appropriate agency of the foreign government, and to the International Registry of Potentially Toxic Chemicals.

The House amendment is the same as the Senate bill.

The Conference substitute deletes both the Senate and House provision.

Cooperation in International Efforts

The Senate bill provides specific recommendations for the Administrator to convene an international meeting with foreign governments and international organizations to promote improved research, pest management, pesticide regulatory programs, and sustainable agriculture; convene a meeting to encourage multilateral agreements on export notices and control measures for pesticides; and report to Congress every three years on regulatory abilities of countries which import pesticides from the U.S.; report to Congress, in conjunction with FDA and USDA, on the ability of testing for pesticide residues.

The House amendment is the same as the Senate except that it also requires the General Accounting Office to conduct a study of unregistered pesticides that are used in agricultural production and/or have a food tolerance under section 408 of the Federal Food Drug and Cosmetic Act and that are exported.

The Conference substitute deletes both the Senate and House provision.

Automatic Revocation of Tolerances

The Senate bill requires the Administrator to immediately revoke a tolerance for a pesticide use if the pesticide registration for such use has been cancelled or voluntarily withdrawn due to dietary risk to humans. If a pesticide is the subject of a suspension, the tolerance must also be suspended. The bill provides for the sale of food legally treated with the pesticide prior to the final suspension or cancellation of the tolerance, and a gradual lowering of the tolerance in the case of unavoidable persistence in the environment.

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

Practical Methods for Residue Detection

The Senate bill requires that, in order to grant a tolerance for a pesticide use, EPA must determine that a practical method exists for detecting and measuring the pesticide residue in food. This means that inspectors must be able to use the method on a routine basis as part of ongoing surveillance and compliance sampling of raw commodities and processed foods for pesticides.

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

Information on Pesticide Use in Exporting Countries

The Senate bill requires U.S. agricultural attaches in foreign countries to provide information, to the extent practicable, in their annual reports, on the customary use of pesticides in agriculture production for the foreign country they monitor. This information shall be provided to the Secretary of Health and Human Services and Treasury.

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

Effective Dates

The Senate bill provides that the provisions of this Act shall be in effect 6 months after enactment, except that for provisions to prohibit the export of unregistered pesticides that have not been denied or rejected for a registration (sec. 3) or tolerance (sec. 408 or 409 of FFDCA), and that apply for a tolerance within 6 months of enactment of this Act, shall be effective 30 months after enactment. A one year extension may also be granted if a tolerance has not been granted through no fault of the applicant who has filed a completed application with the Administrator.

The House amendment is the same as the Senate, except that an application for a tolerance or registration within 6 months may allow the export of the unregistered pesticide during the approval process. For unregistered pesticides which could be exported under the House bill, provisions to require information on a practical detection method, all other available detection methods, OECD registrations, and notification and consent of the country of use shall be effective within 6 months of enactment; provisions requiring health and safety data and summaries, and EPA review and preliminary determination of any potential risk to human health shall be in effect 18 months following enactment. A one-year extension may be granted by the Administrator for unregistered pesticides if EPA review has not been completed and it is not the fault of the applicant.

The Conference substitute deletes both the Senate (Sec. 1751) and House (Sec. 1271) provision.

TITLE XIV—CONSERVATION

SHORT TITLE

Subtitle A—Highly Erodible Land Conservation

(1) Conservation Compliance and Set-Aside Acres, Ineligibility

The Senate bill alters the existing definition of an agricultural commodity to make set-aside land subject to conservation compliance. Current law defines an agricultural commodity as a crop that is planted and produced by annual tilling of the soil. The Senate changes this definition by adding any agricultural commodity "considered planted" under an acreage reduction program authorized by title I of the Agricultural Act of 1949. (Section 1231)

The House amendment achieves the same purpose through altering what constitutes a violation of conservation compliance. The House requires any highly erodible land that is set-aside or diverted to be covered by a conservation compliance plan. (Section 1601(a)(1))

The Conference substitute adopts the House amendment. (Section 1411)

(2) Benefits Subject to Denial

The House amendment adds to the list of benefits subject to denial under the conservation compliance program, including: disaster assistance payments for weather damaged trees; Agricultural Conservation Program payments; Emergency Conservation Program payments; Conservation Reserve Program payments; Wetland and Environmental Easement Program payments; and assistance under the Small Watersheds Program. (Section 1601(a))

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment that deletes the House provision making wetland reserve payments subject to denial. (Section 1411)

(3) Implementation of Compliance Plans, Post-Conservation Reserve

The Senate bill gives an owner or operator up to two years to implement their conservation plan after the conservation reserve contract period has ended, if the plan requires the construction of structures. (Section 1220)

The House amendment requires conservation plans to be fully implemented on lands leaving the conservation reserve not later than 2 years after the date on which the contract expires or such longer period of time as determined appropriate by the Secretary if such plan requires structures to be constructed. (Section 1603)

The Conference substitute adopts the Senate provision with an amendment. An owner or operator may be given more than 2 years to meet their conservation compliance plan on lands leaving the conservation reserve if the plan requires structures and if it is not technically or economically feasible for such structures to be built in this period of time.

The Managers intend for owners or operators whose lands are leaving the conservation reserve who plan to return to crop production to be actively implementing their conservation plans, whether such plan requires management practices or structures. Actively implementing means implementing according to the schedule established in the plan. The amount of time that may be necessary for implementing a plan with structures may be more than that for a management oriented plan, and it is for this reason 2 years, or more if necessary, is given to implement structures.

(4) Treatment of Conservation Reserve Lands After Contracts Expire

The Senate bill establishes that highly erodible lands in the conservation reserve shall be subject to section 1211 of the Food Security Act of 1985. (Section 1220)

The House amendment establishes that highly erodible lands in the conservation reserve shall be subject to subtitle B of the Food Security Act of 1985. (Section 1603)

The Conference substitute adopts the House provision. (Section 1412)

(5) Conservation Compliance and Set-Aside Acres, Exemptions

The House amendment makes technical amendments that conform with making set-aside and diverted land subject to conservation compliance. (Section 1610)

The Senate bill has no comparable provision.

The Conference substitute adopts the House amendment. (Section 1412)

(6) Tenant-Landlord Ineligibility

The Senate bill gives the Secretary the authority to limit, under certain circumstances, a tenant's ineligibility due to non-compliance with a conservation plan under the conservation compliance program. These circumstances are: 1) if the tenant has made a good faith effort to obtain a reasonable compliance plan; 2) the landowner refuses to allow the tenant to comply with such a plan, and 3) the county committee determines that there is no scheme or device. Under these circumstances, the Secretary may grant this variance to the ineligibility requirements. (Section 1232)

The House amendment contains essentially the same provisions as the Senate bill, except that in addition to the action of the landlord, if another tenant on the farm refuses to comply with the plan on the farm, this variance can apply. The House also requires the Secretary to make the determination of the presence of a scheme or device, and to make an annual report to Congress concerning any variances made during the year. (Section 1601)

The Conference substitute adopts the Senate provision with amendments that require the Secretary to make the determination of the presence of a scheme or device, and to make an annual report to Congress concerning any variances made during the year. (Section 1412)

The Managers note that the House included the actions of another tenant in their provision because of concerns over the fairness of penalizing one tenant for the actions of another person on the same farm over which the tenant has no control. A great deal of confusion has been present in regards to exactly how conservation compliance is applied to a farm that is divided into multiple fields and has multiple tenants.

Current law provides that the landlord and tenant on other fields on a farm where a conservation compliance violation occurs shall be ineligible for all USDA benefits. The ineligibility is applicable whether or not the field in violation could have earned USDA benefits, and is applicable to any other farm that the landlord and tenant farm. This has been unfair to many tenants, where the landowner refuses to take action to be in compliance and the tenant has no authority to take the required action.

The Department has interpreted current law, as it applies to other tenants on a farm where a violation occurs, so that such other tenants are not found ineligible for benefits on the farm where the violation occurs. Such other tenants are also not ineligible on any other farms so long as such tenants do not share in the crop produced on the field in violation. The Managers are in complete agreement with this interpretation.

For example, assume that Individual A owns a farm (Blackacre) with 3 separate fields. Individual A leases field 1, 2, and 3 to Individuals B, C, and D respectively for a share of the crop produced on each respective field. Individual B also farms another field on a different farm (which is not owned by A). Individual A refuses to take the necessary actions on field 1 to bring such field into compliance with the conservation compliance provisions of the law. B has attempted to get A to take the necessary actions. The Secretary has determined that B has made a good faith effort to comply with conservation compliance and is not participating in a scheme or device to evade the conservation compliance provisions.

Under current law, Individuals A and B are both ineligible for USDA benefits no matter where they are earned. Individuals C and D are eligible for USDA benefits both on Blackacre and on any other farm where they earn benefits. Under the Conference substitute, Individual A is ineligible for USDA benefits no matter where they are earned. Individual B is ineligible for USDA benefits on Blackacre, but is eligible for benefits on any other farm where he is a producer. Individuals C and D are eligible for USDA benefits both on Blackacre and on any other farm where they earn benefits.

The effect of the Conference substitute is to correct the inequity which occurs when the violation is a result of the landowner refusing to take action on his land. In such case, the Managers intend that the tenant shall be ineligible for USDA benefits only on that particular farm which contains the field where the violation occurs, but not on any other farm where the tenant may be earning USDA benefits. The intent is not to open a loophole in these provisions and the Managers expect the Department to strenuously enforce the requirements in the amendment for determining good faith and for dealing with actions which are determined to be a scheme or device to evade compliance with these conservation provisions.

(7) Graduated Sanctions

The Senate bill provides for a graduated sanction, under limited circumstances, to violators of conservation compliance. Violations of a conservation compliance plan that are minor and technical in nature and do not prevent future compliance with the plan, as written, are not subject to commodity program benefits denial. A producer otherwise found to be in violation once in ten years, where such violation occurred in good faith, may be eligible for a graduated sanction of $750-10,000, depending on the seriousness of the violation. Also, any person who loses crop program benefits in any one crop year shall be eligible for such payments in subsequent crop years if the plan is being actively applied before the beginning of these years, and other requirements are met. (Section 1235)

The House amendment is similar to the Senate provision except that: (1) a violation can occur once in every 5 years if the producer acted in good faith; or (2) failure to comply could be due to circumstances beyond the control of the producer; or (3) the producer can be given a temporary variance by the Secretary in order to deal with a specific problem; and (4) the loss of program benefits will range from $375 to $2500. (Section 1601)

The Conference substitute adopts the House provision with amendments changing the schedule of sanctions to $500 to $5000. Other technical amendments are also made, and incorporates the Senate provision regarding violations with minimal effects. (Section 1412)

(8) Preparation of New Plans

The Senate bill directs the Secretary to provide information on all cost-effective erosion control options available to producers as compliance plans are prepared in the future. The Secretary is also directed to provide information on planting flexibility and other base adjustment possibilities that may allow a farmer to comply with a conservation plan. (Section 1233)

The House amendment requires the Secretary to provide information on planting flexibility, base adjustment possibilities and conservation assistance options that may allow a farmer to comply with a conservation plan.

The Conference substitute adopts the Senate provision with an amendment that directs the Secretary to provide information on cost-effective erosion control options available to producers, and not on "all" such measures. (Section 1412)

The Managers note that producers may seek to modify their conservation compliance plans for several reasons over the life of this Act. Plans will need to be adjusted as a producer's crop enterprise mix or the machinery complement changes. When a producer purchases or leases new farmland for crop production purposes, a new plan for such land will be needed. A vast number of the conservation plans written to date rely on residue management as the sole means for achieving their erosion reduction objectives. The Managers intend that, as producers seek to modify their plans, the Secretary encourage producers to adopt other cost-effective erosion control practices, including contour farming and strip cropping.

One foreseeable reason producers might seek to modify their plans is the new "triple base" provision in this Act. Triple base requires that 15 percent of an acreage reduction program participant's crop acre base be ineligible for program payments. This 15 percent is in addition to whatever percent reduction is required under the set-aside program. These triple base acres may be planted to non-fruit and non-vegetable crops, with full economic use. As a result, many producers will change substantially their crop enterprises and rotations as they seek the most profitable combination for their farms. Such rotations have the potential for further helping producers economically achieve conservation compliance erosion control objectives on their farms. The Managers intend that the Secretary utilize this potential when working with producers as they seek to modify their conservation plans to reflect such new rotations.

(9) Non-Commercial Production of Agricultural Commodities

The Senate bill establishes that conservation compliance will not apply to 2 acres of cropland or less when the area is used for noncommercial production. (Section 1234)

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment which states that this variance shall not be allowed if it somehow contributes or leads to the circumvention of the farm's conservation plan. (Section 1412)

(10) Erosion Reduction Goal

Current law requires that compliance plans are to be based on the practices contained in the field office technical guides. The House amendment adds to current law that compliance plans meet a 50% reduction in erosion from that level that would occur if conservation measures were not applied, unless the Secretary determines such reduction is not feasible. (Section 1601)

The Senate bill has no comparable provision.

The Conference substitute adopts the Senate provision, deleting the House provision. The Managers agree that the erosion reduction standard that producers with highly erodible land must meet in implementing a conservation plan shall not exceed those standards in effect upon the day of enactment of this Act and established in accordance with the Food Security Act of 1985. The Secretary should apply feasible technical and economic standards at the local level that do not cause undue hardship when establishing the requirements for measures to be included in conservation compliance plans. Alternative conservation systems should continue to be offered to producers as a means of achieving the goals of this program.

(11) Payments and Base Acres for Resource Conserving Crops

The House amendment permits up to 25% of a producer's base to be planted to a resource conserving crop as part of a conservation compliance plan and still be eligible for base acre protection and deficiency payments. Under limited circumstances haying and grazing is permitted while still receiving program benefits, but in general no haying or grazing is allowed. (1603)

The Senate bill has no comparable provision.

The Conference substitute deletes the House provision.

Subtitle B—Wetland Conservation

(12) Wetland Definition

The House amendment places into statute a definition of wetlands that is consistent with the current definition, but emphasizes that for the land in question: 1) the frequency of inundation or saturation by surface or groundwater is sufficient to support hydrophytic vegetation; and 2) under normal circumstances supports such wetland vegetation. (Section 1602)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision. (Section 1421)

The Managers note that there has been considerable confusion and controversy generated by attempts to apply the provisions of Subtitle C of Title XII of the Food Security Act of 1985. The provisions of this section, while restating the three characteristics that apply to a wetland, are not intended to indicate a change, in any way, in the intent of the original provision.

Wetland possess three essential characteristics: (1) hydrophytic vegetation, (2) hydric soils, and (3) wetland hydrology, which is the driving force creating all wetland. The Managers intend that the three criteria for identifying the specific characteristics of a wetland must all be met for an area to be identified as wetland for the purposes of this section. Wetland generally include swamps, marshes, bogs, prairie potholes, and other similar areas.

The Managers' intent continues to be that an agricultural area cannot be designated a wetland on the basis of a single characteristic (e.g., the predominance of hydric soils). All three criteria must be satisfied in order for an area to be designated a wetland. The Managers do not intend that designations be made solely on the basis of the existence of a single characteristic. All three characteristics must be present to arrive at a wetland designation, unless interrupted by temporary weather conditions or if hydrophytic vegetation has been removed by farming or ranching practices.

When evaluating agricultural land to determine the presence or absence of wetland, the Managers recognize that agricultural lands are disturbed areas and must be viewed in that context. Cropping practices that can result in the removal of hydrophytic vegetation, or other conditions such as temporary drought or excessive moisture, can complicate the process of identifying wetland.

The Managers also reaffirm that unconverted wetland acreage may continue to be farmed without penalty, when conditions permit, and so long as the producer does not drain, dredge, fill, or level the farmed wetland so as to cause its conversion.

The Managers recognize that a farmed wetland often will not exhibit hydrophytic vegetation, since the act of cultivation will frequently remove such vegetation. In that regard, the Managers intend the term "under normal circumstances" to mean that a prevalence of hydrophytic vegetation must be present to allow a wetland designation unless such vegetation has been removed, or if disturbed by farming, ranching, or related activities, or eliminated as the result of unusual natural events and a determination made that hydrophytic vegetation would have been present but for the disturbance.

The Managers intend that the term "prevalence of hydrophytic vegetation" refers to a condition in which, "under normal circumstances", a majority of the plant life species present require saturated or inundated soil conditions, as well as those that can tolerate saturated or inundated soil conditions but are capable of surviving in upland areas.

The Managers further intend that the term "frequency and duration" of inundation or saturation required in the definition of the term "wetland" means that permanent or periodic inundation, or soil saturation to the surface, exists during a significant portion of the growing season, conforming the hydrology of the area to the wetland definition, and that this condition occurs in years of normal precipitation. Such condition may also exist seasonally. The Managers do not intend that land subject to infrequent flooding or occasional, brief pooling, such as from abnormally heavy rains or unusually heavy snowmelt, be construed to meet the hydrological requirements of a wetland.

(13) Benefits Subject to Denial

The House amendment adds to the list of benefits subject to denial, including: disaster assistance payments for weather damaged trees; Agricultural Conservation Program payments; Emergency Conservation Program payments; Conservation Reserve Program payments; Wetland and Environmental Easement Program payments; and assistance under the Small Watersheds Program. (Section 1602)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment that deletes the House provision making wetland reserve payments subject to denial. (Section 1420)

(14) Timing of Violation

The Senate bill establishes that a swampbuster violation is deemed to have occurred at either the point of planting an agricultural commodity on a converted wetland, or after the date of enactment of this Act, at the point of converting a wetland for the purpose of, or to have the effect of making possible, the production of a commodity. (Section 1286)

The House amendment is essentially identical to the Senate bill (House language replaces "date of enactment of this Act" with "December 23, 1985". (Section 1602)

The Conference substitute adopts the House provision with technical amendments. (Section 1421)

(15) Wetland Delineation

The House amendment directs the Secretary to delineate wetland on a map and to make a reasonable effort to make an on-site wetland determination whenever requested by an owner or operator. The Secretary is also directed to provide notice to affected owners or operators, to certify each map as sufficient evidence for the purpose of making determinations of ineligibility for program benefits under section 1221, and to provide an opportunity to appeal the delineations to the Secretary prior to the certification. The Secretary also must maintain a public listing of all completed certifications. (Section 1602)

The Secretary is directed to review and certify the accuracy of the mapping of all lands mapped prior to the date of enactment of the Food and Agricultural Resources Act of 1990 for the purpose of wetland delineations to ensure that wetland on such lands have been accurately delineated. The Secretary must provide by regulation a process for the periodic review and update of wetland delineations, as determined appropriate by the Secretary.

Persons are exempted from being adversely affected because of having taken an action based on a previous determination by the Secretary.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with amendments. The House requirement for the review of all lands mapped for wetland delineation purposes prior to enactment of this Act is deleted. All maps will be certified, as required in the House provision, and such maps may be appealed, but no appeal will be allowed on maps completed prior to the date of enactment of this Act that had not been changed, and where such maps had already been appealed and for which an on-site visit had been conducted. (Section 1602)

The Managers agree that the certification process is to provide farmers with certainty as to which of their lands are to be considered wetlands for purposes of Swampbuster. The Managers note that the current USDA wetland delineation process involves the use of substantial materials to make an initial determination in the field office, developed in consultation with other appropriate Federal and State agencies. Wetlands identified in this process are delineated on maps which are then mailed to producers for review. If the producer finds such map to be in error, and the USDA agrees that an error has been made, then the map is corrected. If the USDA does not agree that there is an error in the map, and the producer continues to believe so, then the producer may appeal such determination.

The Managers find that this process is adequate for certification of any new maps delineated after the date of enactment of this Act. For maps completed prior to the date of enactment of this Act, the Managers intend for producers to be notified that their maps are to be certified and that they have some appropriate time for appeal. In this circumstance, producers who had not already been mailed their maps should be given a map for their review. As stated in the Conference substitute, the Secretary shall not be required to provide an opportunity for an appeal on maps completed prior to the date of enactment of this Act where such maps have not been changed, and had already been appealed and for which an on-site visit had been conducted. After the appropriate length of time for allowing an appeal has expired, the Managers intend for the Department to certify such maps.

The Managers note also that the Conference substitute has adopted a provision which specifies that no person shall be adversely affected because of having taken an action based on a previous determination by the Secretary. It is the intent of the Managers that a person shall not be considered to have been adversely affected except to the extent that, consistent with customary USDA practice for granting relief of that kind, the person involved was acting in good faith reliance on the mis-determination made on behalf of the Secretary.

Such determinations would include determinations by state, county, or other offices of the Department. This would mean that if the person involved knew or should have known in the normal course of business that the Department's determination was erroneous, that person will not be considered to have been adversely affected by the previous determination.

In addition, the Managers intend that the relief granted should only be that relief necessary to correct for the actual effect of the erroneous determinations. In some cases, however, the necessary relief will include, to the extent determined to be appropriate, relief for subsequent crop years, such as in the case where there has been a substantial good faith investment based on the erroneous determination. The Secretary may require such mitigation or such modification of the previous determination as may be appropriate consistent with the adopted provision.

(16) Exemptions

The House amendment modifies and adds to the exemptions in current law. The "natural conditions" exemption is restated so that a person is exempt from swampbuster for agricultural activities on a wetland on which a farmer or rancher uses normal cropping or ranching practices that are consistent for the area as a result of natural conditions without actions by the producer that destroys a natural wetland characteristic.

Producers are also made exempt for the conversion of an artificial lake, pond or wetland created from a non-wetland area for various purposes including various aspects of food production, livestock management and flood control. (Section 1602)

The Senate bill has no comparable provision.

The Conference substitute adopts the House amendment. (Section 1422)

(17) On-site Inspection Requirement

The House requires the Secretary to conduct on-site visits prior to the denial of program benefits. (Section 1602)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision. (Section 1422)

(18) Prior loans

The House amendment establishes that loans made before December 23, 1985 shall not be subject to denial under swampbuster. (Section 1602)

The Senate bill has no comparable provision.

The Conference substitute adopts the House amendment. (Section 1422)

(19) Non-wetlands

The House amendment establishes that persons are exempted from the ineligibility provisions of swampbuster for any action upon lands that the Secretary determines do not have a predominance of hydric soils, are not inundated or saturated by surface or groundwater at a frequency and duration sufficient to support a prevalence of hydrophytic vegetation typically adapted for life in saturated soil conditions, or do not, under normal circumstances, support a prevalence of such vegetation. (Section 1602)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision. (Section 1422)

(20) Minimal Effects

There is no difference between the Senate bill and the House amendment. (Section 1286) (Section 1602)

The Conference substitute adopts the Senate provision. (Section 1422)

(21) Mitigation

The Senate bill permits a producer to drain a frequently cropped wetland and not become ineligible for program benefits if the producer mitigates this drainage through the restoration of a wetland converted prior to December 23, 1985. This restoration must occur in advance of, or be concurrent with, the drainage of the frequently cropped wetland. The restoration must be in accordance with an approved restoration plan, and not be at the expense of the Federal Government. The restored wetland is to provide equivalent wetland functions and values, and shall be on not more than a one-for-one acreage basis unless more acreage is needed. The restoration must be in the same general area as the wetland that is to be converted. (Section 1286)

The producer must also agree to protect the restored wetland for as long as the converted wetland remains in cropland, or is not returned to its original wetland classification.

The House amendment is similar to the Senate bill, except that permanent easement protection for the wetland created in the mitigation process is required. The House amendment also provides for a person to appeal any mitigation plan that requires more than a 1 acre for 1 acre wetland restoration. (Section 1602)

The Conference substitute adopts the House provision with an amendment. Wetlands restored as part of a mitigation plan shall be protected by an easement for as long as the converted wetland remains in agricultural use, or is not returned to its original wetland classification. No alteration or modification will be allowed on such restored wetlands that lowers the wetland functions and values. (Section 1422)

The Managers do not intend, in providing for appeal of a mitigation plan requiring more than one restored acre for each converted acre, to allow more than one appeal of the technical aspects of such a plan. A producer is not to be afforded the right to appeal the one-for-one requirement, and then appeal a second time the other technical requirements of the plan. The area restored must have been converted or commenced to be converted by December 23, 1985.

The Managers intend that the mitigation sites be located as close to the actual wetland loss as is practicable. However, it is recognized that a flexible approach to location of such mitigation sites will be necessary to ensure that opportunity to effectively mitigate is present in any given instance. Requiring mitigation within "the same general area of the local watershed" means the mitigation would be required to take place within the hydrologically defined watershed in which the loss is to occur. The topography and characteristics of the area should be similar and the restored wetlands approximate the values of the areas being converted for which mitigation is taking place. The Committee expects the agencies to define such areas, in each instance, to include relatively large geographic areas measured in the tens of thousands of acres and not in terms of each small tributary that may cross a field. At the same time, the Managers intend that the agencies are to keep the mitigation site as close to the converted area as practicable. Should a conversion occur along the fringe of a watershed boundary, the location of the mitigation site in the adjacent watershed also relatively near the fringe of that watershed would be consistent with this intent.

(22) Graduated Sanctions

The Senate bill continues the existing sanctions except under limited circumstances. A person who violates the wetland conservation provisions while acting in good faith, and who has not violated these provisions more than once in the last 10 years, and agrees to restore the wetland, shall be denied program benefits of a value ranging from $750 to $10,000, depending on the seriousness of the violation.

A producer who has converted a wetland and is in violation in one crop year shall not be in violation in subsequent crop years if the producer restores the converted wetland. All determinations and the development of restoration plans shall be made at the local level with concurrence with the concurrence of the Fish and Wildlife Service. Provisions are made for resolving disputes that might occur at the local level. (Section 1286)

The House amendment is identical to the Senate bill, except that it is not necessary for the violator to restore the converted wetland. The violator must restore the characteristics of the converted wetland. (Section 1602)

The Conference substitute adopts the House amendment, with an amendment. The graduated sanctions provisions are made retroactive to violations that occurred prior to the date of enactment of this Act, if such violations fully meet the requirements of this provision. (Section 1422)

The Managers note that the statutory language requires the producer to actively and fully restore the characteristics of the converted wetland to its prior wetland state. Full restoration is not intended to mean the exact replication of the original wetland, including its physical dimensions or distribution of vegetation.

The Managers note also that different periods of time are necessary for fully restoring different wetlands' functions and values. It could take several decades for restored hardwoods in a bottomland area to reach pre-conversion maturity. In such a case, the Managers do not intend that the trees must reach full pre-conversion maturity before the producer can be eligible for the graduated sanction and future program benefits. The full restoration of other wetlands can take much less time than for a bottomland area, although full restoration may not be possible immediately. Simply plugging a drain or breaking a tile can restore the necessary hydrology of some wetlands, but time is required for herbaceous hydrophytic vegetation to reappear. The Managers do not intend for full restoration to mean immediate restoration. Rather, the producer is to take such steps as are necessary for such wetland functions and values to be fully restored within a period of time that is physically and biologically appropriate.

(23) Determinations, Restoration Plans and Monitoring

There is no difference between the Senate bill and the House amendment. (Section 1286) (Section 1602)

The Conference substitute adopts the Senate provision. (Section 1422)

(24) Consultation

The House amendment directs the Secretary of Agriculture, in addition to current consultation requirements, to consult with the Secretary of Interior on determinations with respect to mitigation and the restoration of wetland values and functions on converted wetland as required under swampbuster. (Section 1602)

The Senate bill has no comparable provision.

The Conference adopts the House amendment. (Section 1422)

(25) Fairness of Compliance, Actions of Unrelated Persons

The House amendment establishes that if, without prior approval, the actions of an unrelated person or public entity causes a person's cropland to change characteristics and be classified as a wetland, this new wetland shall not be considered a wetland for swampbuster purposes. (Section 1602)

The Senate bill has no comparable provision.

The Conference substitute adopts the House amendment. (Section 1422)

Subtitle C—Agricultural Resources Conservation Program

(26) Conservation Stewardship Program General Authority

The Senate bill establishes that the Conservation Stewardship Program (CSP) will be implemented through contracts and the acquisition of easements to assist owners and operators in the protection of highly erodible lands, other fragile lands, and wetlands. The program is intended to conserve and improve the soil and water resources of the farms or ranches of participating owners and operators. (Section 1211)

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment that changes the program title from the CSP to the Agricultural Resources Conservation Program (ARC). (Section 1431)

(27) Crop Year

The House amendment defines crop year for CRP purposes as that calendar year in which harvest occurs. (Section 1603)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment that puts the conservation reserve program on a calendar year basis. (Section 1431)

(28) Number of Acres

The Senate bill directs the Secretary, through the 1995 crop year, to enroll at least 40 million but not more than 50 million. When determining whether or not to exceed 40 million acres, the Secretary is to take into consideration commodity prices and various supply and demand factors, all of which are indicators of whether there will be an adequate supply of commodities for domestic, export, and reserve needs. (Section 1211)

The House amendment has no comparable provision.

The Conference substitute adopts the House provision, with an amendment. The Secretary is directed to enroll a minimum of 40 million acres, and has the authority to enroll as many as 45 million. (Section 1431)

The Managers do not intend for the ARC to retire excessive amounts of productive cropland, nor unduly diminish economic activity in rural areas. It is important that the U.S. crop production sector maintain adequate cropland capacity to meet domestic and export needs while providing sufficient protection against the variability in yields due to weather. It is also important that sufficient cropland remain in use in rural areas that are highly dependent on agriculture to maintain these areas' economies.

The Managers believe that enrolling 40 million acres into the ARC will not diminish the Nation's ability to meet domestic and export needs and economic activity in rural areas. When considering enrolling more than 40 million acres into the ARC, the Managers intend for the Secretary to consider, in addition to budgetary concerns: (1) whether such enrollments would threaten our ability to maintain adequate commodity stocks and to meet domestic and export needs; (2) the consequences of such enrollments on the economic health and vitality of rural communities.

The Managers recognize that there are limited funds available for the conservation activities authorized in the ARC, and that it may be fiscally impossible to expand the number of acres beyond 40 million, even if crop supply and demand, and local economic conditions, would permit such expansion.

(28) Implementation

The Senate bill establishes that the CSP shall consist of conservation reserve land and the WRP. Acreage that was enrolled into the conservation reserve before enactment of this title will be considered CSP land. (Section 1211)

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment that reflects the new name for the program, ARC. (Section 1431)

(29) Environmental Conservation Acreage Reserve Program

The Senate bill renames the conservation reserve to the environmental conservation acreage reserve.

The House amendment retains the existing name for the conservation reserve.

The Conference substitute adopts the House amendment. (Section 1432)

(30) Newly Eligible Lands

The Senate bill makes eligible for the conservation reserve, in addition to those lands already eligible, land that is not otherwise eligible for the program if such land will be used as: (1) a shelterbelt or windbreak, or permanent contoured grass strip or for some other similar purpose to avoid or mitigate soil loss or an on- or off-farm environmental threat; (2) land that is pastureland and that is environmentally sensitive, economically marginal and sustainable for tree planting if such land is devoted to trees. (Such lands will not be available for any other non-CRP cost-share assistance and the Secretary may establish a reasonable limit on the number of acres per farm of these lands that can be enrolled); and (3) lands that will ameliorate or prevent an on- or off-farm threat to water quality, including wellheads, Karst lands, section 319 watersheds, areas critical to threatened or endangered species. (Section 1213)

The House amendment makes eligible for the conservation reserve highly erodible croplands that if permitted to remain in production should substantially reduce the production capability of future generations or croplands that cannot be farmed in accordance with a conservation compliance plan. Also made eligible are marginal pasturelands converted to wetland, established as wildlife habitat, or established to trees in or near riparian areas. Marginal pasturelands planted to trees are not to exceed 10% of the acreage enrolled into the program during 1991 to 1995. (Section 1603)

The House amendment also makes eligible lands that would otherwise not be eligible that are: (1) water quality lands; (2) croplands that are newly created permanent grass sod waterways or contour grass strips maintained as part of an approved conservation plan; (3) to be planted to trees, living snow fences, permanent wildlife habitat, windbreaks, shelterbelts and filterstrips; (4) farmed wetlands; and (5) lands that pose an off-farm environmental threat or threat to productivity because of salinization. Lands on which the Secretary has prevented the production of agricultural commodities shall be considered planted for the purposes of determining eligibility for the conservation reserve.

The Conference substitute adopts the House provision with amendments. Farmed wetlands are not made explicitly eligible for the program. Marginal pasturelands to be planted to trees are also made eligible if enrolling such lands will result in water quality benefits similar to those from enrolling such lands in or near riparian areas. Shelterbelts, windbreaks and living snow fences are also eligible, but participants must agree to an easement on these plantings for their useful life, where such period of time will extend beyond the paid contract period. In addition, the Secretary is directed to not enroll lands into the conservation reserve for water quality purposes if these same purposes can be achieved under the water quality incentives program. (Section 1432)

In not making farmed wetlands explicitly eligible for the conservation reserve, the Managers are expressing their preference for seeing such lands enrolled into the wetland reserve. Farmed wetlands are implicitly eligible for the conservation reserve under the 1985 Food Security Act, and have been made administratively eligible since the eighth conservation reserve sign-up in 1989. The Managers intend that farmed wetlands will no longer be admitted into for the conservation reserve, at least until such time it is conclusively determined the wetland reserve will not substantially meet its goal.

The wetland reserve restores and protects eligible lands, including farmed wetlands, by placing a 30 year or permanent easement on these lands, or an easement of the maximum length allowed under state law. The Managers believe that such long term or permanent protection for these areas is greatly preferred over the shorter, ten year contracts of the conservation reserve.

The Managers believe that farmers will want to participate in the wetland reserve, and if it is actively implemented and promoted, the program should be fully successful. In the event that the wetland reserve proves unable to reach at least one-third of its 1 million acre goal by 1995, farmed wetlands could once again be made eligible for the conservation reserve. Such a decision should not be made by the Secretary until the wetland reserve has been in operation for a full 3 years. By allowing for the possible enrollment of farmed wetlands into the conservation reserve, the Managers do not intend for the wetland reserve to be implemented so as to reduce the likelihood of its success.

The Managers intend, in making marginal pasturelands converted to wetlands eligible for the reserve, only to make eligible those marginal pasturelands that were converted to wetlands, prior to the date of enactment of this Act, as a result of natural processes or Acts of God. The intent is not to allow persons to convert a marginal pastureland and then enroll such lands into the reserve. The intent also is not to make eligible for the program marginal pasturelands that have been converted to wetlands through the actions of an outside party, even if that party is unrelated to or acted without the knowledge or approval of the person seeking to enroll such lands. Rather, in those limited instances where abnormal rainfall or other weather-related or geologic process caused marginal pastureland to flood and remain flooded indefinitely, such marginal pasturelands shall be eligible for the conservation reserve.

The Secretary is directed in the Conference substitute to not enroll land for water quality purposes if the land can be effectively treated under the water quality incentives program. The Managers note that this provision is included because of the recognition that it is more efficient and cost-effective to alter, where possible, cropping management activities to achieve conservation goals than it is to remove environmentally sensitive lands from production and compensate the farmer for the lost economic activity.

The Managers recognize that there are circumstances where a management program will not be effective, and the retirement of the cropland in question is the only option available for achieving water quality goals. The lands made eligible for the conservation reserve for water quality purposes under these circumstances are broadly defined. The Managers intend that the majority of the land enrolled under such circumstances will be the types of land, or located within the areas made eligible for the agricultural water quality incentives program. The Managers intend that the Secretary consult and work with the Federal and state authorities identified in the eligible lands section of the water quality incentives program when implementing the conservation reserve for water quality purposes.

(31) Acreage Goal

The Senate bill directs the Secretary to enroll as many acres into the conservation reserve that are needed to meet the CSP goal of 40 million acres by the end of 1995. (Section 1212)

The House amendment directs the Secretary to enroll up to 45 million acres by 1995. (Section 1603)

The Conference substitute adopts the House amendment with an amendment that requires the Secretary to manage the ARC so as to ensure that there will be 1 million acres available for the enrollment of non-WRP lands into the CRP in each of the years 1994 and 1995.

The Managers note that the conferees, in ensuring a total of 2 million acres will be available for enrollment into the conservation reserve in 1994 and 1995, intend to provide a buffer that can be used to enroll highly erodible lands that cannot be treated with a conservation plan under the conservation compliance program. Although non-highly erodible, non-wetlands reserve lands can be enrolled under these 2,000,000 acres, the Managers intend that highly erodible lands not able to meet conservation compliance be given priority for entry into the reserve under this buffer.

(32) Contract Period and Easements (S 1214; H 16 08) [sec 1434]

The Senate bill gives the Secretary the authority, in addition to that already existing for 10–15 year contracts, to purchase 30-year or permanent conservation easements, at the option of the land owner or operator. The Secretary is directed to attempt to use permanent easements in implementing the conservation reserve, to the extent practicable. Owners or operators are to be paid no more than the fair market value of the land for these easements. (Section 1214)

The House amendment directs the Secretary to enter into contracts of 10 years, but authorizes the owner or operator to extend to a term not to exceed 15 years any new or existing contract on land to be devoted to hardwood trees. The Secretary is also authorized to terminate an existing CRP contract if the land is entered into the environmental easement program. (Section 1608)

The Conference substitute adopts neither provision, although similar provisions are retained in the Conference substitute in different parts of the bill. The Managers note that the House amendment includes a program for the establishment of long-term or permanent environmental easements which the Conference substitute adopts in the environmental easement program (see below). The Managers intend for those lands that might have been granted an easement under the Senate's easement modification to the conservation reserve be entered into this new program. The Managers do not intend, by not adopting here the House's tree planting incentives, to indicate lack of support for such provisions. The Conference substitute adopts in another part of the conservation reserve a Senate provision regarding 10-15 year conservation reserve contracts for hardwood trees and other plantings. The Managers believe this is an important incentive to help get more hardwood trees and other important types of plantings established under the conservation reserve, and intend that this contract option should be promoted by the Department and used by farmers to its full capacity. (Section 1432)

(33) Conservation Priority Areas

The Senate bill directs the Secretary to take into consideration watersheds such as the Chesapeake Bay where water quality is significantly adversely affected by agriculture, and where there are State programs designed to address these problems. The Secretary is directed to attempt to maximize water quality and habitat benefits in these watersheds using whatever means the Secretary determines to be appropriate and consistent with the program. (Section 1218)

The House amendment also directs the Secretary, upon application by the appropriate state agency, to designate watershed areas of the Chesapeake Bay Region, the Great Lakes Region, the Long Island Sound Region, and other environmentally sensitive areas as conservation priority areas. Such priority designation shall last 5 years, or until water quality and wildlife in the area are no longer adversely affected by agriculture. (Section 1603)

The Secretary is also directed to ensure that participation in these priority areas is at least equal to 50% of the national average of participating acres to eligible acres. The Secretary is to achieve this by: (1) providing a one-time cash bonus or an annual rental premium for eligible lands; (2) accepting filter strips of less than 66, but not less than 25 feet in width; (3) contracts of 5–15 years; (4) paying up to 50% of costs of establishing conservation practices; and (5) promoting participation in any other manner the Secretary deems appropriate.

The Conference substitute adopts the House provision regarding conservation priority areas, and directs the Secretary to attempt to maximize water quality and habitat benefits in these watersheds using whatever means the Secretary determines to be appropriate and consistent with the program. (Section 1432)

(34) Duties of Owners and Operators

The House amendment requires conservation reserve participants to implement a plan for all eligible lands, not just highly erodible land (as in current law), to a less intensive, conserving use. (Section 1603)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision. (Section 1432)

The House amendment requires conservation reserve participants to establish approved vegetative cover or water cover for the enhancement of wildlife on CRP lands. (Section 1603)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment which prohibits the use of such water cover for watering livestock, irrigating crops or the raising of fish for commercial purposes. (Section 1432)

The House amendment allows limited fall and winter grazing on conservation reserve land where such grazing is incidental to the gleaning of crop residues on the fields in which the land is located. Participants must accept an applicable reduction in rental payment. (Section 1603)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision. (Section 1432)

The Senate bill establishes that a producer who has land in the conservation reserve and who also busts sod shall be denied future conservation reserve benefits, return all earlier payments, and be denied all of the other Federal farm program benefits that are subject to denial under the highly erodible land provisions of the 1985 Food Security Act. (Section 1212)

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment. A conservation reserve participant who has entered the reserve after the date of enactment of this Act and subsequently purchases highly erodible grassland and converts such lands to cropland use shall be denied future conservation reserve payments and shall refund or accept adjustments to rental and cost share payments received previously. (Section 1433)

(35) Trees and Other Environmental Uses on CRP Land

The House amendment establishes that, to the extent practicable, not less than one-eighth of the land that is placed in the conservation reserve during the 1991 through 1995 crop years shall be devoted to trees, shrubs, hydrophytic vegetation, critical area seedings, or other non-crop vegetation or water that provides a permanent habitat for wildlife including migratory waterfowl. (Section 1603)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment that strikes "hydrophytic vegetation" and "critical area seedings", and that such lands "may" be devoted to these uses. Other technical changes are made. (Section 1433)

(36) Alley Cropping

The Senate bill authorizes the Secretary to permit agricultural commodities to be planted between the rows of trees on conservation reserve lands, if the trees are hardwoods, and the rental payments paid by the Federal Government are reduced by at least 50 percent. The total amount of dollars expended by the Federal Government on any contract that is modified according to this subsection shall not exceed what would have been expended if no modification had been undertaken. (Section 1220)

The House amendment has a similar provision. (Section 1603)

The Conference adopts the Senate provision. (Section 1433)

(37) Foreclosure

The Senate bill establishes that a conservation reserve participant who loses his or her reserve land as a result of foreclosure may be relieved of the requirement that 100% of rental payments be repaid, plus interest, if the Secretary determines such forgiveness is necessary to provide fair and equitable treatment. If the participant regains this land after foreclosure within the original contract period, the original contractual obligations will still apply to the participant until the end of the term of the contract. (Section 1221)

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision. (Section 1433)

(38) Payments

The House amendment directs the Secretary not to make any cost share payments to a participant to the extent that such payment, when added to all of the other sources of cost share assistance received by the participant, exceeds 100% of the total costs of establishing the associated practices. Other technical changes are made. (Section 1603)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision. (Section 1434)

(39) Payments for Maintenance Costs

The Senate bill directs the Secretary to continue to pay 50 percent of the costs of establishing conservation cover on conservation reserve lands. The Secretary is also directed to pay 50 to 75 percent of the maintenance costs of hardwood trees, shelterbelts and windbreaks, for a 2 to 4 year period commencing from the date a tree is planted. These maintenance costs shall include those of replanting trees, if the trees were lost due to factors out of the control of the owner or operator. If more than 10 acres are to be planted to hardwood trees, the planting of these trees may be extended over a 3 year period, as long as one-third of the trees are planted in each of the first two years. (Section 1216)

The House amendment directs the Secretary to pay, for acreage planted to indigenous trees, 50-75% of the costs of establishing trees, taking into consideration the amount necessary to ensure that the acreage levels planted to trees specified in section 1231 are attained, and authorizes cost share assistance for the establishment of windbreaks, shelterbelts, wildlife corridors, and filter strips and other costs incurred by the owner or operator for maintaining new tree plantings (including the cost of replanting, cultivation, nutrient needs, and disease and insect control) during the 2 to 4 year period beginning on the date the acreage is planted to trees, as determined by the Secretary. (Section 1604)

The Conference substitute establishes 2 to 4 year 50 percent cost-share assistance for the maintenance of hardwood trees, shelterbelts, windbreaks, or wildlife corridors. (Section 1434)

The Managers do not intend for the Secretary to be required to cost share for any activities and their costs that the Secretary determines not to be appropriate and in the public interest. For example, the Secretary is not to be required to make cost share payments for activities with per acre costs that are in excess of the fair market value of the land, or are otherwise excessive.

(40) Staggered Tree Planting

The Senate bill authorizes the Secretary to permit participants who contract to convert at least 10 acres of land to the production of hardwood trees under this subtitle to extend the planting of such trees over a 3-year period if at least one-third of such trees are planted in each of the first 2 years. (Section 1216)

The House amendment contains a similar provision, but is applicable only to indigenous trees. (Section 1603)

The Conference substitute adopts the Senate provision. (Section 1434)

(41) Cost Share Limitation

The House amendment prohibits a participant from receiving cost-share assistance from any other Federal cost-share assistance with respect to the land. (Section 1603)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision. (Section 1434)

(42) Acceptability of Offers

The Senate bill adds to the considerations established in current law, directing the Secretary to give priority to offers that would provide for the greatest public benefit, and to take into consideration the potential benefits to wildlife. (Section 1218)

The House amendment authorizes the Secretary to: (1) take into consideration the extent to which enrollment of the land would improve soil resources, water quality, or provide other environmental benefits; (2) accept contract offers for the establishment of shelterbelts, windbreaks, or living snow fences or permanently vegetated stream borders, filter strips of permanent grass, forbs, shrubs, and trees that will substantially enhance water quality; and (3) establish different criteria in various States and regions to determine the extent to which water quality may be improved or erosion may be abated. (Section 1603)

The Conference substitute adopts the House provision with amendments. The conferees add wildlife habitat as one additional environmental benefit to consider when accepting contract offers. (Section 1434)

The Managers intend that the Secretary compare the lands seeking enrollment into the reserve, and enroll those lands with the highest conservation and environmental benefits relative to the costs of enrolling such land.

(43) Continuous Sign-Up

The Senate bill directs the Secretary to permit bids for entry into the conservation reserve to be accepted on a continuous basis if such lands are to be planted to hardwood trees. (Section 1216)

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision. (Section 1434)

(44) Payments

The House amendment establishes that program payments made to a participant who is also participating in a special State conservation reserve enhancement program shall be made in cash only. (Section 1603)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision. (Section 1434)

The House amendment established that in addition to all payments received by participants, they may also receive rental, cost-share and tax benefits from a State for participating in the conservation reserve. (Section 1603)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision. (Section 1434)

(45) Sequestration

The House amendment establishes that notwithstanding any other provisions of law, CRP payments will not be subject to sequestration. (Section 1603)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision. (Section 1434)

The Managers believe that Section 252 of the Gramm-Rudman Act already exempts payments under long-term contracts of the Commodity Credit Corporation (CCC) from sequestration. The Managers believe also that Section 252 exempts payments under any CCC contract from any subsequently issued sequester order, whether or not there has been an earlier sequester order. Therefore, the amendment should not be needed.

However, differing views have been expressed as to the applicability of a sequester order to payments made under the conservation reserve. Accordingly, in order to clarify this matter, the Conference substitute adopts the provisions of the House bill. It should be noted that the adoption of this amendment is not intended to suggest that other payments under other CCC multi-year contracts are sequestrable. Farmers should be assured that long-term payments agreed to be made by the CCC in return for a committed land use will not be sequestered. It is doubtful that these programs could operate at all without such certainty.

(46) Conversion to Trees and Wetlands

The Senate bill directs the Secretary to permit conservation reserve participants whose reserve lands are in grass to convert these lands to hardwood trees, shelterbelts, windbreaks, or wetlands, and in some case to extend the period of the contract so that its total length may reach 15 years, or in the case of wetlands, convert the contract to long term or permanent easements. Lands so converted to shelterbelts and windbreaks shall be covered by an easement that extends beyond the length of the conservation reserve contract for the useful life of the planting, as determined by the Secretary. The Secretary shall pay 50% of the costs of establishing these hardwoods, windbreaks or shelterbelts. (Section 1215)

The House amendment authorizes the Secretary to permit conservation reserve participants to convert highly erodible grass acres to indigenous trees. The Secretary may not incur any expense on such acres, including the expense involved in the original establishment of the vegetative cover, that is in excess of the average per acre indigenous tree planting expense in the same area. The participant is permitted to extend the term of contract to a term of no more than 15 years. The Secretary may decline to cost share where the cost would be excessive in light of the overall program goals. Participants must agree to participate in the Forest Resources Stewardship Program established under section 4 of the Cooperative Forestry Assistance Act of 1978. (Section 1604)

The Conference substitute adopts the Senate provision with an amendment. Emphasis shall be placed on planting hardwood species that are indigenous to the area which is being converted to trees. The amendment establishes that the Secretary may not incur any expense on these new plantings and wetlands, including the expense involved in the original establishment of the vegetative cover, that is in excess of the average per acre expense for the comparable practice in the same area. Cost share assistance shall also be made available for the establishment of wildlife corridors on these converted acres.

The Conference also adopts the House provision which requires recipients of these special tree planting incentives to enroll into the Forest Stewardship Program, as established in this Act. (Section 1435)

The Managers do not intend for the Secretary to be required to cost share for any activities and their costs that Secretary determines to not be appropriate and in the public interest. For example, the Secretary is not to be required to make cost share payments for activities with per acre costs that are in excess of the fair market value of the land, or are otherwise excessive.

(47) Extended Base Protection

The Senate bill gives the Secretary the authority to extend for as long as the Secretary decides is appropriate, the protection of crop acreage bases, quotas and allotments on conservation reserve lands after the contracts expire if the owner or operator agrees to continue to keep the land in the appropriate conserving uses. (Section 1220)

The House amendment is similar to the Senate provision except that the extension is not indefinite, but is for 10 years. Also, the Secretary may permit haying and grazing of acreage placed in the conservation reserve for the purpose of meeting any requirement established under the Act except during any consecutive 5 month period that is established by the State committee. Each of these 5 month periods must be established during the period beginning April 1 and ending October 31 of a year. In the case of a natural disaster, Secretary may permit unlimited haying and grazing on such acreage, and authorizes the Secretary to reduce or terminate the amount of cropland base and allotment history when a violation of all these conditions occurs. (Section 1603)

The Conference substitute adopts the House provision with an amendment that changes the length of time that the base acreage or allotment is protected from 10 years to indefinitely. (Section 1436)

(48) Study of Land Use for Expiring Contracts

The Senate bill requires the Secretary to undertake a study of the lands currently in the conservation reserve to determine what are the best options available for dealing with these lands when their contracts expire. The study is to include such subjects as the tradeoffs between providing incentives to producers to keep some of these lands out of production versus allowing them to return to production, various levels of post-conservation reserve economic use in exchange for conservation practices, and the use of easements to preserve conservation cover. The Secretary is to provide such report to Congress no later than December 31, 1993. (Section 1222)

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision. The Managers note that one of the more important conservation issues the Nation must address in this decade will be how to treat conservation reserve lands as their contracts expire. The expiration of conservation reserve contracts will have far-reaching effects on the effectiveness and costs of commodity supply control programs and conservation programs like conservation compliance and the Department's water quality initiative. Lands leaving the reserve will also have substantial effects on the crop and livestock sectors, and the regional and rural sectors of the economy. Numerous issues need to be examined before Congress can formulate policies for the conservation reserve lands beyond 1995.

The Managers intend that the Secretary assemble a broad, multidisciplinary study team that can provide a practical and useful document for policy-making purposes. The disciplines participating should include natural resource managers, economists, commodity program specialists, and biologists, among others. Many of the agencies within the Department have practical experience with implementing and analyzing this program, and the Managers intend for this expertise to be drawn upon. The regional effects of the CRP can vary considerably, and as a result this team also should include, from affected regions, persons able to provide region specific detail and relevant analysis. (Section 1437)

(49) Extensions

The Senate bill authorizes the Secretary to extend conservation reserve contracts, or purchase conservation easements during crop years 1996–2000. Lands eligible for such extensions or purchases are to be determined on the basis of the results from the study required in the Senate bill. The participating owner or operator may select either the easement or the multi-year contract for this land. (Section 1222)

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment that establishes that conservation reserve contracts may be extended for only 10 years after the initial contracts end. Other technical changes are also made. (Section 1437)

(50) Enrollment

The House amendment directs Secretary to provide opportunities for enrollment into the reserve, and give public notice of such opportunities. (Section 1603)

The Senate bill has no comparable provision.

The Conference substitute deletes the House provision.

(51) Bid-Back Program

The Senate bill establishes a bid-back program where the least highly erodible land in the conservation reserve could leave the program if there are other highly erodible lands waiting to be enrolled. The net result of such an exchange of lands is to be the same or greater reduction in erosion savings, at the same or less total cost to the Federal Government. (Section 1217)

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

(52) Ownership Requirement

The Senate bill waives the conservation reserve's three year ownership requirement for lands that are administered, as of the 1987 Agriculture Credit Act Amendments of 1987, by a Farm Credit System institution, by the Secretary under the Consolidated Farm and Rural Development Act, or a private lender. The Secretary shall make payments only to family farmers who purchase or lease the cropland administered by these institutions, except that the Secretary shall not give preference to family farmers when there are offers to enroll land from persons who otherwise meet the conservation reserve ownership requirements. In this case, the Secretary shall give priority to these latter owners or operators. (Section 1219)

The House has no comparable provision.

The Conference substitute deletes the Senate provision.

(53) Ownership Requirement, Transfer of Land, and Technical Changes

The House amendment prohibits the continuation of an agreement by a new owner after a conservation reserve agreement has been entered into if the original owner retains a contingent interest in the land as determined by the Secretary. The option of continuing the original contract is denied the new owner or operator. Numerous other technical changes are also made. (Section 1603)

The Senate bill has no comparable provision.

The Conference substitute deletes the House provision.

(54) Post-CRP Erosion Standard

The Senate bill requires highly erodible land that enters the conservation reserve after the date of enactment of this Act to meet the soil loss tolerance standard for purposes of conservation compliance, except that the Secretary may specify a different standard if such standard is not feasible. (Section 1220)

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

(55) Economic Use on CRP Lands

The House amendment directs the Secretary to modify or waive a term or condition of any conservation reserve contract in order to permit sustained-yield harvesting of timber or related resources by the participant during the last 3 years of the contract period if the owner or operator agrees to permanently retire the cropland base and allotment history applicable to the land. The Secretary shall provide additional compensation to such an owner or operator. In this context, sustained yield shall mean the harvesting of timber or related resources in a manner that will provide for the long-term productivity of such resources and not result in the degradation of water quality or related resources in the area. Limited economic uses on conservation reserve lands at the end of the contract period. (Section 1603)

The House amendment also requires the Secretary to modify or waive a term or condition of any conservation reserve contract in order to permit sustained-yield harvesting of timber or related resources by the owner or operator of the land during the last 3 years of the contract period if the owner or operator agrees to permanently retire the cropland base and allotment history applicable to the land, and to provide additional compensation to such an owner or operator.

The Senate bill has no comparable provision.

The Conference substitute deletes the House provision.

(56) Technical and Conforming Amendments

The Senate bill makes technical changes, whereby references to the conservation reserve shall be considered to mean the environmental conservation acreage reserve program. The program shall be called the Environmental Conservation Acreage Reserve Program. (Section 1225)

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

(57) CRP Payments

The House amendment directs the Secretary to base annual payments according to comparable land rental rates. (Section 1603)

The Senate bill has no comparable provision.

The Conference substitute deletes the House provision.

Wetlands Reserve Program

(58) Establishment

The Senate bill directs the Secretary to establish a wetlands reserve program to assist owners of eligible lands in restoring and protecting wetlands. (Section 1223)

The House amendment directs the Secretary to conduct a wetland and environmental easement program during the 1991 through 1995 crop years, through perpetual easements or easements for the maximum term permitted under applicable State law. Easements shall be purchased from willing owners of eligible land in order to ensure the continued long-term protection of environmentally-sensitive lands or the reduction in the degradation of water quality on such lands through conservation and improvement of soil and water resources. (Section 1608)

In addition, the Secretary shall also establish under this easement program, the national agricultural wetland reserve.

The Conference substitute adopts the Senate provision, establishing a wetlands reserve, and retains the environmental easement program that does not include easements for wetlands. (Section 1438)

(59) Number of Acres

The Senate bill directs the Secretary to enroll, to the extent practicable, not less than 1 million acres during the 1991 and 1995 crop years. (Section 1223)

The House amendment does not establish an overall environmental easement program. The Secretary is directed to seek to enroll 2.5 million acres during 1991–1995 fiscal years. (Section 1608)

The Conference substitute adopts the Senate provision with amendments. The acreage goal is changed from not less than one million acres to one million acres. The Secretary is also directed to enroll: in 1991 no more than 200,000 acres; in 1991 to 1992, no more than 400,000; in 1991–1993, no more than 600,000 acres; in 1991–1994, no more than 800,000 acres; and in 1991–1995, 1 million acres. The Secretary is directed to place lands into the reserve through the purchase of easements. The wetland reserve is placed on a calendar year basis. (Section 1438)

The Managers intend that if it becomes apparent in 1994 that the wetland reserve is not growing in size and will not meet substantially the 1,000,000 acre goal by 1995, that some of the remaining acres available for the wetland reserve may be used to enroll highly erodible lands into the conservation reserve. The Managers do not want the wetland reserve acres to be used for this purpose if it is possible that the 1,000,000 acre goal could be reached if enrollments were authorized to take place in 1996 and 1997.

(60) Eligible acres

The Senate bill makes eligible farmed wetlands and wetlands converted before Dec 23, 1985, if there is a high probability that these areas can be successfully restored to wetland status relative to the cost of such restoration. Other wetlands may be eligible if they add to the functional value of wetlands restored on the same property under this program. Eligible lands shall include appropriate buffer areas. Lands shall be determined eligible by the Secretary, in consultation with the Soil Conservation Service and the Fish and Wildlife Service. (Section 1223)

The House amendment authorizes the Secretary to acquire easements on land placed in the conservation reserve (other than land that is likely to remain out of production and does not pose an off-farm environmental threat), Water Bank Land or other cropland that:

(1) is farmed wetland;

(2) is adjacent to wetland that is functionally dependent on such cropland;

(3) is wetland converted prior to December 23, 1985, the restoration of which is important for the protection of water quality or wildlife;

(4) contains riparian corridors that link wetlands or adjacent water bodies;

(5) is an area of critical habitat for wildlife; or

(6) contains other environmentally-sensitive areas, as determined by the Secretary, that would prevent a producer from complying with other Federal, State, or local environmental

goals if commodities were to be produced on such lands. (Section 1608)

The House amendment does not allow the Secretary to acquire: (1) land that contains timber stands established under the conservation reserve; or (2) pasture land established to trees under the conservation reserve. In establishing the wetland reserve, the Secretary, in consultation with the Secretary of the Interior, shall place priority on acquiring easements based on the value of the easements for the protection of wetlands and associated areas and the value of the easement for enhancing habitat for migratory birds and other wildlife. The Secretary may convert any existing conservation reserve contract into an easement under this program.

The Conference substitute adopts the Senate provision with amendments. The Secretary is required to consult with the Secretary of the Interior, at the local level, on determinations of eligibility for the reserve. The program will be conducted on a calendar year, rather than a crop year, basis. Also added to the Senate provision is the House provision that makes eligible farmed wetlands enrolled into the conservation reserve, including adjoining upland habitat areas, that are likely to return to crop production after they leave the conservation reserve and have the highest wetland functions and values. (Section 1438)

The Conference substitute also amends the Senate provision to add the House provision making riparian areas eligible for the program if such areas link wetlands that are protected by an easement, or some other device or circumstance that achieves protection similar to an easement. The House provision making certain timber-covered lands ineligible for the reserve is also adopted. Also included is the provision allowing for the conversion of an existing conservation reserve contract on farmed wetlands to an easement under this program.

The Conference substitute also adopts the House provision establishing the priority for enrolling lands for migratory bird and wildlife habitat purposes, incorporating such provision in the acceptance of offers section of the wetland reserve program.

The Managers intend for the Soil Conservation Service and the Fish and Wildlife Service to use professional judgement when selecting riparian areas for entry into the wetland reserve.

The Managers intend for the consultation between the Secretary and the Secretary of the Interior at the local level to be technical in nature, and will largely involve the Soil Conservation Service and the Fish and Wildlife Service. The Fish and Wildlife Service leads the Federal government in expertise and experience in the restoration and protection of wetlands, and the Managers believe it is important that the Department draw upon this expertise when determining whether or not to accept lands into the program.

The Managers do not intend for this consultation to unnecessarily delay the enrollment of lands into the reserve. The Soil Conservation Service's current procedures for making a minimal effect determination allows the Fish and Wildlife Service 15 days to comment. The Managers believe 20 working days is sufficient time for consultation to determine eligibility for the wetland reserve.

The Managers intend for the wetland reserve to restore and protect converted and farmed wetlands, achieving as significant an increase in wetland functions and values as are possible and practical. Of lesser importance is the protection of existing wetlands that already have relatively high wetland functions and values, and the Managers do not intend for such lands to receive priority for entry into the reserve. At the same time, there may be valuable wetlands in the conservation reserve that are threatened with conversion after their contracts expire. In such a case, these wetlands, including adjacent upland habitat, are made eligible for the wetland reserve. The Federal government will already have paid for the restoration of these wetlands under the conservation reserve, so that the Managers intend for few additional restoration expenditures to be made when entering these lands into the reserve.

The Conference substitute has retained the Senate provision making otherwise ineligible wetlands eligible if they are located on a property where wetlands are being restored and entered into the reserve. The incorporation of these existing wetlands is intended by the Managers only for the purpose of adding significantly to the functional values of the easement. For example, physically linking existing wetlands and adjacent upland habitat with the restoration of other wetlands and habitat can create an extremely valuable easement. The Managers do not intend for large sums to be expended when acquiring easements on existing wetlands, particularly when they are subject to little or no pressure from development.

(61) Easements and Wetland Easement Conservation Plan

The Senate bill establishes that in order to enter the reserve, the owner of the land must allow an easement to be placed on the lands. The easement shall provide for the restoration and protection of wetlands, according to a Wetland Easement Conservation Plan. The plan shall be developed by the Soil Conservation Service, in concurrence with the Secretary of the Interior and the approval of the participating landowner. Unless otherwise permitted by the plan, the plan shall prohibit: (1) alteration of wildlife habitat and other natural features; (2) crop production or timber harvest; (3) grazing of livestock; (4) spraying of chemicals or mowing, except where necessary to comply with pest treatment laws; and (5) activities on adjacent lands if they will degrade the wetland. (Section 1223)

The plans shall permit: (1) such activities necessary to maintain existing public drainage systems; and (2) wildlife activities, including hunting and fishing, if permitted by participant.

The plan shall also: (1) specify how the area will be effectively restored; (2) permit the participant to control public access; and (3) contain such other terms and conditions as are agreed to by the Secretary and participant.

In general, these wetlands may be used for compatible economic uses (i.e., hunting, fishing, managed timber harvest, periodic haying) if specified in the plan and consistent with maintaining the quality of the wetland. (Section 1223)

The House amendment requires a natural resource management plan, developed by the Secretary, in consultation with the Secretary of the Interior. In such plan, the participant must agree to: (1)

specify the location of any timber harvesting (the harvest and sale of Christmas trees and nuts shall be prohibited, although any customary forestry practices (pruning, thinning, or stand improvement) on lands converted to forestry are permitted); (2) limit the production of any commodity to only those that benefit wildlife; (3) not to conduct harvesting or grazing (or otherwise make commercial use of the forage) unless specifically provided for in the easement agreement, nor adopt any similar practice specified in the agreement that would tend to defeat the purpose of the subtitle; and (4) not to adopt any other practice specified in the agreement that would tend to defeat the purpose of the subtitle, as determined by the Secretary. (Section 1608)

The natural resource management plan shall also set forth: (1) the conservation measures and practices to be carried out; (2) the commercial use, if any, that is to be permitted under the easement. (Section 1608)

The Conference substitute adopts the Senate provision with amendments. The plan shall be developed by Soil Conservation Service in concurrence at the local level with the Fish and Wildlife Service. As for Swampbuster, if concurrence cannot be reached at the local level, the decision is to be made by the Soil Conservation Service State Conservationist, in consultation with the Fish and Wildlife Service. Reports are required from both State-level officials when the State Conservationist must make the determination. (Section 1438)

As for the consultation required with the Secretary of the Interior when determining the eligibility of lands for the reserve, the Managers do not intend for this concurrence to unnecessarily delay the development and adoption of these plans. Unless unusual circumstances make more time necessary, the Managers intend for the Fish and Wildlife Service to have 20 working days to concur with the plan.

The Conference substitute also amends the Senate provision by altering the prohibition of certain activities on lands adjacent to the easement, where such prohibitions are made to apply to the participating landowner's land, or the successor's land. Certain activities relating to weed control are allowed if specifically permitted in the plan. In general, haying and grazing, along with other economic uses, are to be permitted on the easements where such activities are compatible with maintaining the functions and values of the wetlands. The Senate provision is also amended by including three other House provisions: (1) the plans may include such other provisions as the Secretary determines to be appropriate; (2) the plans shall not permit the adoption of any practices which defeat the purposes of the subtitle; and (3) the easement shall be created and appropriately recorded, in accordance with applicable State law.

(62) Length of Easement, Rate of Compensation

The Senate bill requires that the easements be in recordable form, and that they may be permanent or 30 years in length. (Section 1223)

The House amendment establishes that the easements shall be perpetual or to the maximum length allowable under State law. (Section 1608)

The Conference substitute adopts the Senate provision, with an amendment. Easements shall be for 30 years or permanent, or to the maximum extent allowed under State law. (Section 1438)

The Senate bill establishes that the compensation for the granting of the easement is to be made in cash, be based on the value of the property, and may be determined through a bid process. Compensation may not be provided in less than 5, nor more than 20 annual payments, and may be of either equal or unequal size. In the case of permanent easements, one lump sum payment may be made.

The House amendment establishes that the Secretary is to provide payment or obligations: (1) for cost sharing payment, as soon as possible after the obligation is incurred; and (2) with respect to any annual easement payment, as soon as possible after October 1. The Secretary may use such means as are appropriate to determine the amount to be paid for the easements, and in making this determination, may consider the amounts necessary to encourage owners to participate in the easement program.

The Conference substitute adopts the Senate provision with an amendment that establishes the value of the payment for the easement to be the fair market value of the pre-encumbered land, less the fair market value of the land encumbered by the easement.

The Senate bill requires the owner and or the operator of the land is to comply with the terms of the easement.

The House amendment establishes duties of owners, requirements of the plans, the consequences of violating the terms of the agreement, and provides for the permanent retirement of base acres and allotment history.

The Conference substitute adopts the Senate provision, with amendments from the House provisions, adding the consequences of violating the terms of the agreement, and the permanent retirement of base acres and allotment history. All payments may be lost in the event of a violation, not just the cost share payments.

In the event of a violation, the Managers intend that the easement will remain in effect against the owner or successor, unless otherwise provided in the Conference substitute.

The Senate bill directs the Secretary to give priority to obtaining permanent conservation easements, to the exent practicable.

The House has no comparable provision.

The Conference substitute adopts the Senate provision, moving it into the acceptability of offers section.

The Senate bill establishes that the Secretary is to compensate an owner for granting an easement to the secretary, and that the Secretary shall provide cost share assistance for the restoration costs on lands covered by the easement.

The House amendment establishes that the Secretary must: (1) share the cost of conservation measure establishment and practices for which cost sharing is appropriate; (2) pay annual easement payments for a period up to 10 years up to an aggregate maximum of the lesser of $250,000 or the value of the land without an easement; (3) provide necessary technical assistance; and (4) permit the land to be used for wildlife activities, including hunting and fishing, if such use is permitted by the owner.

The conference substitute adopts the House provision with an amendment that deletes the $250,000 cap, and technical amendments that combine the 3 other House provisions.

The House amendment requires that payments shall be made in cash and in advance of the determination of performance. If a participating owner dies, becomes incompetent, is otherwise unable to receive such payment, or is succeeded by another person who fulfills the requirements of the program, without regard to any other provision of law the Secretary shall make payments to such person in a fair and reasonable in light of all of the circumstances.

The House amendment also requires the maximum amount of easement payments to a person is $50,000 per fiscal year. Person is to be defined in regulation, and shall conform, to the extent practicable, to the general payment limitation regulations. The Secretary is to prescribe such rules necessary to ensure a fair and reasonable application of this payment limitation.

The House amendment also provides that the easement payments received by a participant are in addition to, and do not affect, the total amount of payments that the owner is otherwise eligible to receive under the Food Security Act of 1985, the Food and Agricultural Resources Act of 1990, or the Agricultural Act of 1949. This payment limitation does not apply to payments received by a State, political subdivision, or agency thereof in connection with agreements entered into under a special wetland and environmental easement enhancement program carried out by that entity that has been approved by the Secretary. The Secretary may enter into agreements for payments to States, the the Secretary determines will advance the purposes of the program.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with amendments. No annual payment limitation shall be applicable when granting a permanent easement.

The Senate bill directs the Secretary to give priority to obtaining permanent conservation easements, to the extent practicable. In giving such a priority, the Secretary is to take into consideration costs and future food needs.

The House amendment directs the Secretary, in establishing the wetland reserve, to consult with the Secretary of the Interior, and place priority on acquiring easements based on the value of the easements for the protection of wetlands and associated areas and the value of the easement for enhancing habitat for migratory birds and other wildlife. The House amendment also authorizes the Secretary, in determining the acceptability of easement offers, to may take into consideration: (1) the contribution of the land to the purposes of the program; (2) the productivity of the land; and (3) the on- and off-farm environmental threats of the land if used in agricultural production.

The Conference substitute adopts the Senate provision and the House provisions.

The House amendment establishes that easement payments are exempted from sequestration.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

As discussed previously in connection with a similar provision for the conservation reserve, this provision is not believed to be needed but has been adopted because of differing views expressed in the past as to the applicability of a sequester order to payments made under long-term conservation contracts of the Commodity Credit Corporation (CCC). This provision is not intended to suggest that other payments made under other CCC multi-year contracts are sequestrable.

The Senate bill directs the Secretary to pay 50–75% of the costs of restoring wetland on 30 year easements, and 50–100% of costs for permanent easements. Such payments shall be for the costs of: (1) restoring eligible lands to wetland status; (2) protecting these restored wetlands; and (3) complying with the plan.

The House amendment requires the Secretary to pay up to 100% of the cost of conservation measure establishment and other related practices.

The Conference substitute adopts the Senate provision with an amendment. Cost share rate shall be 50 to 75 percent for any easement less than permanent, and from 50 to 100 percent for permanent easements.

(63) Ownership Requirements

The House amendment establishes that no easement is allowed on land that has changed ownership in the year preceding such acquisition unless the new ownership was acquired by will or as a result of death, or was acquired before January 1, 1990, or if the Secretary determines that the land was acquired under appropriate circumstances. (Section 1608)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision. (Section 1438)

(64) Modifications of Easement and Agreement

The House amendment authorizes the Secretary to modify an easement or associated agreement if the current owner agrees to such modification, and the Secretary determines that such modification is desirable and otherwise appropriate. The Secretary may terminate an easement if the participant agrees and the Secretary determines that the termination would be in the public interest. The Secretary shall provide written notice to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate at least 90 days after taking any action to terminate easements entered into under this sutitle. (Section 1608)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision. (Section 1438)

(65) Delegation of Easement Authority

The Senate bill allows the Secretary to delegate easement management, monitoring and enforcement responsibilities to other appropriate Federal or State agencies. (Section 1223)

The House amendment has no comparable provision (Section 1608)

The Conference substitute adopts the Senate provision. (Section 1438)

(66) Regulations

The Senate bill establishes that regulations for the program shall be established in 180 days. (Section 1223)

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision. (Section 1438)

Agricultural Water Quality Incentives

(67) Policy

The House amendment states the policy of Congress is that water quality protection, including source reduction of agricultural pollutants, henceforth shall be an important goal of the programs and policies of USDA. Agriculture producers in environmentally sensitive areas should request assistance to develop and implement plans. (Section 1607)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision. (Section 1439)

(68) Definitions

The House amendment defines agricultural water quality protection practice and source reduction. (Section 1607)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision. (Section 1439)

(69) In General

The Senate bill establishes that, in general, the program incentives are to encourage major reductions in the potential for contamination or degradation of surface water or ground water, emphasizing practices that enhance farm profitability and productivity. (Section 1224)

The House amendment directs the Secretary to formulate and carry out a voluntary incentive program during the 1991 through 1995 crop years through agreements to assist owners and operators of a farm in development and implementing a water quality protection plan. (Section 1607)

The Conference substitute adopts the House provision. (Section 1439)

The Managers believe that source reduction is an important component in agriculture water quality protection efforts and intend that, in administering the water quality incentive program adopted by the Conference, the concept of source reduction should be viewed as an important means to achieve the overall goal of improving water quality or other natural resources. Souce reduction itself should not be viewed as a goal independent of water quality improvement or other environmental objectives but instead provides a means of pollution reduction. In the case of animal waste, efficient and effective management practices such as manure containment, composting, or processing are among the modifications of agricultural systems and practices that might be useful in minimizing the discharge of agricultural pollutants.

(70) Contracts

The Senate bill directs the Secretary to enter into contracts with participants. The contracts shall: (1) incorporate the Farm Water Quality Management Plan; (2) specifically describe the practices to be implemented or avoided to achieve the plan's objectives; (3) provide to the maximum extent possible and consistent with the goal of achieving a major reduction in the potential for contamination, for practices that enhance the profitability and productivity of participating farms; (4) establish a schedule for plan implementation; (5) specify performance standards; and (6) specify the obligations of the Secretary. (Section 1224)

The Senate bill requires that payments shall be made under the contract for a period of not less than 3 and no more than 5 years, as determined appropriate by the Secretary. The contract shall require the participant to maintain the practices for not less than 5 years for which a payment is received. (Section 1607)

The House amendment directs the Secretary to enter into agreements of up to 5 years upon the request of eligible persons. Participants must agree: (1) to implement a water quality protection plan; (2) to not conduct certain inappropriate practices; (3) to comply with additional provisions as are desirable and necessary; (4) on violation of the agreement, to refund any incentive or cost share payment received with interest and forefeit any future such payments, as determined by the Secretary; and (5) on the transfer of right in land, unless transferee agrees to assume all obligations, to refund any such cost-share and incentive payments received, as determined by the Secretary.

The Conference substitute adopts the House provision with amendments. Added to the House provision is the Senate requirement that payments be made for 3 to 5 years. (Section 1439)

(71) Wetland and Wildife Options

The House amendment establishes that participates who voluntarily agree to develop and implement agricultural production practices, in concert with their water quality protection plan, that preserve and enhance wetland or wildlife habitat, are eligible to receive cost-share assistance for the implementation of such practices. (Section 1607)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with amendments. The Secretary shall develop procedures for approving agricultural practicds that preserve and enhance habitat, and are consistent with the objectives of the water quality protection plan. The Secretary is to encourage practices that are designed to preserve and enhance, not restore, existing wetland. (Section 1439)

The Managers note that the primary purpose of the water quality incentives program is to promote the protection of water quality. The wildlife or wetland option of the water quality program is intended to provide additional incentives for practices that can contribute to the preservation and enhancement of wetland functions and values, and the associated wildlife benefits. This option is not the primary goal of the program. The Managers intend for the practices authorized under this option to be consistent with the water quality objectives of the program.

(72) Duties of the Secretary

The House amendment establishes the duties of the Secretary, where the Secretary is to assist the participant by: (1) assessing the operation for eligibility for the program; (2) provide technical assistance in developing the plans; (3) provide annual incentive payments; (4) provide cost share assistance for wetland and wildlife habitat purposes; and (5) ensuring that participants receive adequate information to implement the plan. (Section 1607).

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with amendments. The Secretary will not have to ensure the participant receives adequate information to implement the plan, but rather shall provide participants with such information. The Secretary also shall encourage participants to obtain cost-share assistance under other Federal, State or local programs. (Section 1439)

(73) Payments

The Senate bill establishes that the Secretary shall make annual acreage-based incentive payments to reimburse producer for the costs of the practices in the plan. (Section 1224)

The House amendment directs the Secretary to provide an annual incentive payment for implementing these practices. (Section 1607)

The Conference substitute adopts the House provision. (Section 1439)

The Senate bill establishes that annual incentive payments are to be made on a per acre basis in amounts sufficient to encourage participation in the program in sufficient numbers to achieve an improvement in ground or surface water quality. Payments shall not exceed $3500 for any crop year. These payments shall not be considered when calculating payment limitations under any other USDA program, except that payments may not be provided under this program if payments are available for the same practices under any other federal program. A lump sum payment covering the term of the contract is possible if it enables the participant to pay initial costs of implementing a practice required under the contract.

The House amendment establishes that the Secretary shall make up to 5 years of cost share payments for up to 50 percent of the cost, and incentive payments, as determined appropriate by the Secretary taking into consideration the amount necessary to encourage participation, additional costs to the producer, and the production values forgone, if any. Payments to a participant are limited to no more than $3500 per year in incentive payments, and not more than an additional $1500 per person per year in the form of cost share assistance. Payments received are in addition to, and do not affect, the total amount of payments the participant receives in other USDA programs, except payments may not be made if payments or assistance is provided for the same practice under any other Federal program.

The Conference substitute adopts the House provision with amendments. Cost share assistance for wildlife purposes is limited to $1500 per person per contract period. The Senate provision allowing for lump sum payments is added to the House provisions.

(74) Modification and Termination

The Senate bill provides that revisions of the water quality plan are possible if: (1) natural causes prevent performance under the contract; (2) the contract no longer reflects practices suitable for the farm operation; (3) the contract cannot be carried out without losses that threaten the viability of the farm operation; or (4) the participant and the Secretary agree to changes that permit the plan to meet the objectives of the program. (Section 1224)

The House amendment establishes that the Secretary may modify an agreement if the participant agrees to such modification and the Secretary determines that the modifications are desirable. The Secretary may terminate an agreement if: (1) producer agrees or violates the agreement; and (2) the Secretary determines termination is in public interest. (Section 1607)

The Conference substitute adopts the House provision, adding the Senate provisions regarding natural causes preventing performance, the threat of economic losses, and agreement between the participant and the Secretary to change the plan. (Section 1439)

(75) Refunds

The Senate bill establishes that if a participant fails to comply, all incentive payments received under the program, plus interest, must be repaid. (Section 1224)

The House amendment establishes that participants must agree: (1) on violation of the agreement, refund any incentive or cost share payment received with interest and forfeit any future such payments, as determined by the Secretary; and (2) on the transfer of right in land, unless transferee agrees to assume all obligations, to refund any such cost-share and incentive payments received, as determined by the Secretary. The Secretary shall obtain refunds of payments with interest if an agreement is terminated unless it is determined by the Secretary not to be in the public interest to seek a refund. (Section 1607)

The Conference substitute adopts the House provision with an amendment that requires a refund if the agreement is terminated, or violated. Payments shall be refunded to the extent determined by the Secretary to be in the public interest. (Section 1439)

(76) Base and Yield Protection

The House amendment establishes that participants shall be eligible for program payment yield and base protection on the farm during the agreement period. (Section 1607)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision. (Section 1439)

(77) Acreage

The Senate bill directs the Secretary to attempt to place acreage into the program in an amount sufficient to enable the Secretary to achieve an improvement in ground and surface water quality. (Section 1224)

The House amendment directs the Secretary to enroll 20 million acres, to the extent practicable, in 1991-1995 crop years. (Section 1607)

The Conference substitute adopts the House provision with an amendment changing the goal of the program from 20 million acres, to the extent practicable, to 10 million acres, to the extent possible. The program will be on a calendar year rather than a crop year basis. (Section 1439)

(78) Content of Plans

The Senate bill establishes that participants must develop and implement a Farm Water Quality Management Plan. Such plans must include specific goals and objectives to ensure a major reduction in potential for contamination or degradation of surface or ground water by pollutants associated with agricultural production. (Section 1224)

The House amendment establishes that the agricultural water quality protection plans should include as applicable, but not be limited to: (1) a description of the prevailing characteristics of the farm including information relevant to protecting water quality; (2) a description of the farms natural resources; (3) to the extent practicable, specific, quantitative water quality protection goals and objectives that will minimize contamination or degradation of surface or ground water; (4) a range of water quality protection practices that, where appropriate, complement conservation compliance; (5) the specific agricultural production practices that will be implemented; (6) to the extent practicable, water quality protection practices for safe storage, mixing and loading of pesticides and fertilizers, and storage and handling of animal waste; (7) the timing and sequence for implementing such practices; and (8) information that will enable the producer to evaluate the effectiveness of the plan in protecting water quality. (Section 1607)

The Conference substitute adopts the House provision with an amendment to add that the plans shall contain or require recommendations of application rates and disposal methods. The plan shall also contain water quality protection practices, but not a range of such practices. (Section 1439)

(79) Plan Development, Confidentiality, and Approval and Acceptance of Plans

The House amendment directs the Secretary to establish procedures: (1) to help producers develop plans, with the assistance of the Soil Conservation Service; (2) that protect the confidentiality of the information contained in these plans; (3) that provide notice to producers that information contained in the plans will be available to the public upon request; (4) for the approval of plans; and (5) within one year for the acceptance of the plans.

This program is to supplement and support the provisions of other State and Federal laws and in no way replaces or substitutes for any other State or Federal laws. (Section 1607)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision, with an amendment that deletes the reference to the Soil Conservation Service, and directs the Secretary to act through the Assistant Secretary for Natural Resources and the Environment. (Section 1439)

(80) Eligible Lands, Priority Lands

The Senate bill establishes that croplands shall be eligible if they are determined by the Secretary as having the potential to contribute to the degradation of water quality, including: (1) well-head buffer areas; (2) Karst areas; (3) critical cropland areas identified in section 319 plans; and (4) other areas where non-point source pollution poses threat to endangered or threatened species habitat. (Section 1224)

The House amendment establishes that lands eligible for enrollment or technical assistance include: (1) impaired 319 watersheds; (2) wellhead protection areas; (3) other areas recommended by State agencies for environmental protection; and (4) other areas recommended by EPA, in consultation with Interior. In identifying eligible lands, consideration for eligibility and program assistance should be given to defined tributary watersheds contributing significant levels of sediment to nationally significant ecosystems such as the Upper Mississippi River System. Eligibility of these watersheds shall be identified by State pursuant to Section 319. (Section 1607)

The Conference substitute adopts the House provision with amendments. Also made eligible are Karst areas, critical cropland areas within watersheds designated under section 319 of the Federal Water Pollution Control Act, areas where non-point sources pose a threat to critical habitat, other areas that if allowed to remain in production would defeat the purposes of this program, and any other areas that contribute to water quality problems, as identified by the Secretary. (Section 1439)

The House amendment also directs the Secretary to give priority to lands which if allowed to remain in production will lead to failure to meet applicable Federal or State water quality laws.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment that clarifies the House provision, specifying the lands to be given priority shall provide the greatest public benefit if managed under the water quality program.

The Managers intend that the Secretary compare the lands seeking enrollment into the water quality incentives program, and enroll those lands with the highest water quality benefits relative to the costs of enrolling such land.

The Senate bill establishes that, in determining the acceptability of offers, the Secretary shall; (1) consider the possible degree of reduction in the potential for water contamination; (2) give priority to an area within a State that is designated by the State, in consultation with the EPA, as a priority area for dealing with the problem of ground and surface water contamination attributable to agricultural non-point source pollution; and (3) give priority to offers that would provide the greatest public benefit.

The House amendment establishes that the Secretary, in accepting agreements and in providing assistance should give priority to lands on which agricultural production has been determined to contribute to, or creates, the potential for failure to meet applicable water quality standards or the goals and requirements of Federal or State laws governing surface and ground water quality. In making this determination, the Secretary shall consult with State officials having responsibility for monitoring and protecting water quality.

The Conference substitute adopts the House provision.

(81) Technical Assistance, Guidance, Content, Deadline, Consultation, Personnel, Limitation of Liability

The Senate bill establishes that the Secretary shall provide technical assistance through the Extension Service (ES) and the Soil Conservation Service (SCS), and where determined to be appropriate, private consultants, in the development and implementation of plans. (Section 1224)

The House amendment directs the Secretary to establish a procedure to enable the Soil Conservation Service to help producers develop plans under this program. (Section 1607)

The Conference substitute adopts the House provision with an amendment to delete the reference to the Soil Conservation Service. Also added is a provision that provides that the assistance offered to help producers comply with Federal or State environmental issues shall not provide a basis of claim against any official or entity. (Section 1439)

The House amendment directs the Secretary to develop local field office technical guides for helping producers prepare and implement plans necessary to assist in complying with State and Federal environmental laws, and to implement this program. The guides are to reflect local agronomic, economic and ecological conditions, and to describe: (1) procedures to identify potential sources of pollution on a farm; (2) to the extent practicable, a range of water quality protection practices, and their economic cost and benefit, and that complement conservation compliance plans; (3) storage, mixing, and loading practices; (4) any information regarding relevant State and environmental laws; (5) criteria to evaluate the effectiveness of on-farm plans; (6) provide aggregate data to aid in evaluating compliance with State and Federal environmental laws; and (7) means to evaluate the economic costs and benefits of these practices.

The technical guides must be developed for environmentally sensitive areas no later than two years after the areas have been so designated under State or Federal environmental law and to be updated periodically. The Secretary must consult with the Administrator of the Environmental Protection Agency, the Secretary of the Interior, and with relevant State agencies in developing handbooks and field office technical guides to ensure they contain accurate and up-to-date information.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with amendments. Instead of technical guides, the Secretary is directed to develop guidance materials that serve the same purpose. To the extent practicable, these materials are to reflect local conditions. These materials are to be developed no later than 2 years after the date of enactment of this Act.

The Managers intend that technical materials will be prepared that reflect and are useful under local conditions. All factors that might make a particular local area unique with respect to water quality needs and agricultural non-point source pollution should be adequately accounted for in whatever materials are developed.

The Senate bill directs the Secretary to assist producers, upon their request, who are required by a State or the Federal government to comply with an environmental law that requires a reduction in the potential for contamination of ground or surface water. Such assistance shall be technical in nature, and in the form of an on-farm plan. Land affected by the plan must be within an area designated as environmentally sensitive for purposes of federal or State law. The on-farm plan must provide the producer with information concerning the economic and natural resource consequences of the implementation of the plan. (Section 1282)

The House amendment establishes that the Secretary shall provide technical assistance to agricultural producers on eligible lands to assist them in developing and implementing water quality plans. The Secretary shall designate the Soil Conservation Service as the lead agency for providing technical assistance, and shall assign such personnel from the Extension Service, the Agricultural Research Service, and other agencies as are necessary. The Secretary may request help from State agencies, or any source deemed appropriate.

The Conference substitute adopts the House provision with an amendment and technical changes. No person shall have cause for claim against an official or entity as a result of technical assistance offered under this section to help a producer comply with Federal or State environmental laws.

(82) Demonstration and Pilot Programs

The Senate bill requires the Secretary to contract with producers for demonstration or model farm programs to provide education, information and demonstrations of agricultural practices to reduce contamination or degradation of surface or ground water. Pilot projects may also be set up to provide assistance on farming operations and production conditions for the efficient use of inputs and to reduce waste. (Section 1224)

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to make it discretionary. (Section 1439)

(83) Report to Congress

The House amendment requires that the Secretary provide to Congress no later than September 30, 1992, an interim report on participation in this program. A final report is to be delivered to Congress no later than September 30, 1994. (Section 1607)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment that deletes from the House provision that the report include the economic costs and benefits of the plans, if implemented. Other technical changes are made. (Section 1439)

(84) Findings

The House amendment includes several findings: (1) protecting water quality is essential for human health; (2) agricultural nonpoint source pollution has been identified as contributing to the water quality problem; (3) the agricultural community wants to address the problem; (4) the technology exists today in many cases to address the problem; (5) such practices are also cost-effective; and (6) pollution prevention is being given increasing priority in State and Federal laws. (Section 1607)

The Senate bill has no comparable provision.

The Conference substitute adopts the Senate provision, deleting the House findings.

(85) Continued Eligibility

The Senate bill establishes that participants, if they are to remain eligible for these program payments, must: (1) continue to abide by the terms of the contract pertaining to implementation and performance; (2) remain in compliance with the other conservation provisions of this title. (Section 1224)

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

(86) Information, Assistance, and National Database

The Senate bill establishes that the Secretary shall, at the request of the participant, provide information concerning the resource, economic, and environmental effects of the plans to be implemented under this program. The Secretary shall collect and maintain data on a State-by-State basis of these same effects that result from the adoption of the plans selected by the producers. (Section 1224)

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

Environmental Easement Program

(87) Easement Program

The Senate bill establishes the wetland reserve, which is to be used to restore and protect 1,000,000 acres of farmed and converted wetlands by 1995 through the use of 30-year and permanent easements. (Section 1223)

The House amendment establishes a wetland and environmental easement program which is to restore and protect 2,500,000 acres of wetlands by 1995 through perpetual easements, and the protection of other environmentally sensitive lands through such easements. (Section 1608)

The Conference substitute adopts the House provision with amendments that remove from its provisions the restoration and protection of wetlands through the use of easements. This activity is incorporated in the substitute which adopted the Senate wetland reserve with amendments. The other remaining functions of the House environmental easement program remain intact.

(88) Tree Planting Initiative

The House amendment establishes a new program that addresses the maintenance, afforestation, and reforestation of forest lands. The Secretary is directed to implement this new policy by using the conservation reserve program, the agricultural conservation program, the Cooperative Forestry Assistance Act of 1978, and the provisions of this title.

The Secretary is directed to encourage owners and operators of cropland who enter this new program to enlist the cooperative assistance of the State Forester or equivalent State official in obtaining technical and financial assistance for tree planting and maintenance activities. (Section 1604)

The Senate bill has no comparable provision.

The Conference substitute adopts the House amendment. (Section 1441)

Administration of Conservation Programs

(89) Administration

The House amendment directs the Secretary to act as expeditiously as possible in making determinations under title XII and in conducting appeals from any determination made under title XII, but requires the Secretary to provide adequate safeguards to protect the interests of the persons involved in such determination. (Section 1609)

The Secretary is also to annually review the number and status of appeals pending under title XII at the district, area, and State conservationist level, to identify those such appeals that have been pending in excess of 120 days, and to annually report to Congress the results of such review.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision, with substantial alterations so that the Secretary is directed to maintain data concerning the number and status of appeals pending in excess of 120 days, and the number of appeals resolved, under this title.

The Managers intend that the Secretary establish and maintain a system by which it is possible to know at any point in the year the number and status of appeals pending for more than 120 days, or resolved.

(90) Acreage Retirement Programs—County Limitation

The Senate bill establishes that the number of cropland acres placed into the CSP in any one county (not counting the acreage enrolled into the water quality incentives program) is not to exceed 25 percent of the cropland in the county. The Secretary may exceed this cap if it will not adversely affect the local economy of the county. Land enrolled into the CSP for the purposes of shelterbelts or windbreaks does not count towards this limitation. (Section 1211)

The Senate bill also establishes that the Secretary shall permit a particular county to exceed current law's 25% county limit for cropland entering the conservation reserve to the extent the Secretary determines that producers in the county are having severe difficulty meeting conservation or other environmental requirements. In making a determination under this section to allow a particular county to exceed the 25% limit, the Secretary shall not require the written consent of a member of Congress. In addition, the Senate bill establishes that land enrolled into the reserve for water quality improvements need not be considered when calculating the acreage for the 25% limit if the risks for water quality of not enrolling such land outweigh the adverse economic consequences on the local economy of enrolling such land. (Section 1212)

The Senate bill establishes for the wetlands reserve that for the purpose of the Conservation Stewardship Program's 25 percent county limitation, the lands enrolled under the wetlands reserve shall be added to the other lands enrolled in the stewardship program in that particular county and otherwise subject to this limitation. (Section 1223)

The House amendment retains the existing 25 percent county limit, but adds that the limitation may be exceeded if the Secretary determines that producers in the county are having difficulty complying with their conservation plans and there are no negative effects on the local economy. (Section 1607)

The House amendment also modifies the existing 25% cap, applying it only to lands acquired under easement, and adding that the limit may be exceeded if the Secretary determines that producers in the county are having difficulty complying with their conservation plans and there are no negative economic consequences.

For the easement programs, the House amendment establishes that no more than 10% of the cropland in any county shall be enrolled in the easement program. Such easements shall be acquired only to the extent that the number of acres under easement, when added to that county's conservation reserve acres, shall not exceed 25% of the county's cropland, except that this limitation may be exceeded if producers are having difficulty complying with compliance plans and it will not hurt the local economy.

The Conference substitute adopts provisions from both the Senate bill and House amendment with amendments. The Agricultural Resources Conservation (ARC) now contains the conservation reserve and the wetlands reserve. The existing 25 percent county cap for the conservation reserve is retained for the ARC. For lands coming under easement in the ARC or the environmental easement program, not more than 10 percent of the cropland in a county may be covered with easements, and these lands are also counted towards the 25 percent cap. Added to the House's exemption to this 25 percent cap is the Senate provision allowing for it to be exceeded in the event that producers are having difficulty meeting other environmental requirements. Lands placed into the ARC under the conservation reserve that are to be devoted to shelterbelts or windbreaks shall not be counted towards the 25 percent cap. Also, when determining whether or not to exceed the 25 percent cap, the Secretary is directed to not seek the written consent of a member of Congress.

In any event, with the exception of lands enrolled as windbreaks, shelterbelts, the other eligible plantings, and in those exceptional cases, the combined total of land retired under easements and contracts cannot exceed 25 percent of the cropland in a county.

The Managers do not intend that the 25 percent limit be waived for all potential conservation reserve entrants. For those counties where it is determined producers are not able to meet conservation compliance, the 25 percent limit should be waived on a case-by-case basis so that only those specific producers not able to meet compliance can enter the program. Of course, this waiver should only be given if the Secretary also determines that there are no negative economic consequences for the local economy.

(91) Regulations

The House amendment also directs the Secretary to issue not later than 180 days after the date of enactment such regulations as the Secretary determines are necessary to carry out subtitles H and I including: (1) a definition of the term "person"; (2) the determination of persons who are ineligible for program benefits under subtitles B and C, so as to ensure a fair and reasonable determination of ineligibility; and (3) those that protect the interests of landlords, tenants, and sharecroppers.

The Senate bill has no comparable provision.

The Conference substitute deletes the House provision. The Managers note that the requirement for the establishment of regulations is included in the appropriate place throughout the Act.

(92) Use of the Commodity Credit Corporation

The House amendment authorizes the Secretary to use the facilities of the Commodity Credit Corporation to carry out the new subtitles H and I if funds are appropriated for this purpose.

The Senate bill has comparable provisions in the specific sections of the bill that establish these programs.

The Conference substitute adopts the Senate provision, deleting the House provision. The Managers note that under current law, the facilities, services, authorities and funds of the Commodity Credit Corporation may be used, if appropriations have been made for such purpose, to carry out subtitle D. Subtitle D, as amended by this Act, includes the conservation reserve, wetland reserve and the water quality incentives program.

(93) Appropriations

The Senate bill authorizes such funds as are necessary to carry out the program.

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision, and creates a new authorization of appropriations that makes such sums as may be necessary to carry out the conservation reserve and wetland reserve (chapter 1) and the water quality incentives program (chapter 2), of subtitle D.

(94) Monitoring and Evaluation

The Senate bill requires 2 reports, a one-time progress report towards national goal of controlling soil erosion, and an annual report on conservation progress under the conservation title.

The House amendment has 2 reporting requirements. The first requires the Soil Conservation Service to report on accomplishments during the previous year with regard to improving water quality; plans for addressing water quality problems in the upcoming year; and in general progress towards the goal of aiding and protecting the quality of water. The second reporting requirement directs the Secretary to prepare an annual comprehensive report on progress towards the national goal of controlling soil erosion, and another annual report that contains a summary of the results of the monitoring and evaluation that goes into the comprehensive report generation.

The Conference substitute adopts the House provision with amendments. The first reporting requirement for the Soil Conservation Service is deleted. The annual reporting requirement on progress towards the goal of soil erosion reduction and the results of monitoring and evaluation is changed to a one-time report that is to be completed by June 30, 1993. Added to this one-time report is an assessment, to be conducted by the Soil Conservation Service in consultation with the Fish and Wildlife Service, of progress toward the national objectives of wetland preservation, habitat and water quality improvement, and analysis of how to further meet these objectives.

(95) Assistance to control the spread of weeds and pests

The Senate bill directs the Secretary to work with the appropriate Federal and State agencies in the development of a weed and pest control technical guide for use by participants in the conservation reserve. If there is a pest infestation on reserve lands enrolled into the program after the date of enactment of this Act, and the participant is determined to have failed to follow the recommendations of this technical guide, as determined by the Secretary and following review by the appropriate Federal and State authorities, shall have their conservation reserve rental payments reduced.

The Secretary is also instructed to identify those lands already enrolled into the conservation reserve that are the most likely to incur a significant crop pest infestation. The Secretary is given the authority to renegotiate the contracts on these lands to require reserve participants control such pests, or allow participants to leave the program if they repay the cost share payments, or establish such other procedures that might achieve such control. The costs of crop pest control on the lands identified in the above study are made eligible for 50% cost share as a conservation practice in the conservation reserve.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with amendments. The Secretary is directed to provide technical materials and information for the control of weed and pests on conservation reserve lands. This material and information is to be consistent with the conservation and environmental objectives of the reserve. The Secretary is also given the discretion to treat weed and pest control costs as a conservation practice on conservation reserve lands.

The Managers note that there are parts of the United States where weeds and pests are a particular problem and that conservation reserve lands are contributing to this situation. Conservation reserve contracts require that participants apply appropriate weed and pest control practices on the enrolled lands. The Managers intend that the Secretary enforce rigorously this provision of the contracts, and take whatever actions are appropriate and necessary to see that participants comply with this provision. Such actions might include the denial of some or all of the annual rental payments for failure to comply with this contract requirement.

(96) State Technical Committee

The House amendment establishes State Technical Committees to assist the Secretary in the technical considerations relating to implementation of the conservation provisions under this title. Each State Technical Committee is to include professional resource managers that represent a variety of disciplines in the soil, water, wetland, and wildlife sciences.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

Subtitle D—Other Conservation Measures

(97) Integrated Farm Management Program Option

The Senate bill establishes a program that provides producers a set of incentives to participate in a multi-year program where resource-conserving crop rotations are adopted.

The House amendment directs the Secretary to establish the "Integrated Farm Management Program Option" to assist producers in adopting integrated, multi-year, site-specific farm management plans by reducing farm program barriers to resource stewardship practices and systems, and authorizes participants to plant base acres of one program commodity to a crop of another program commodity and maintain base acreage, but not receive payments unless such planted commodity is part of a resource-conserving crop rotation.

The Conference substitute adopts the House provision.

(98) Definitions

The Senate bill defines resource conserving crop, grass, legumes, small grains, resource conserving crop rotation, and Secretary.

The House amendment defines the terms resource-conserving crop, resource-conserving crop rotation, farming operations and practices, and integrated farm management plan and defines for purposes of this section the terms grass, legume, small grain, and alternative crops.

The Conference substitute adopts the House provision.

The Managers do not intend for the term legume to include peas and lentils.

(99) Eligibility

The Senate bill establishes that to be eligible, a producer must submit an integrated farm management plan which must be approved by the Secretary. The producer must comply with the plan.

The House amendment is the same as the Senate provision, except the producers must keep such records as the Secretary may require.

The Conference substitute adopts the House provision with an amendment that such records must be kept that the Secretary can "reasonably" require.

(100) Plans

The Senate bill establishes that the plans shall: (1) describe the farming operations and practices to be implemented; (2) describe how the practices could be expected to reduce pollution, soil loss, water contamination and reduce the use of nonrenewable natural resources and purchased inputs—if such reductions result in positive economic and environmental benefits; and (3) contain such other terms the Secretary determines are necessary.

The House amendment requires each plan approved by the Secretary to: (1) specify the acreage to be enrolled; (2) describe the resource-conserving crop rotation; and (3) contain a schedule for the implementation of the plan. The plan shall also describe how the practices to be implemented could be reasonably expected to result in: (1) the maintenance or enhancement of the overall productivity and profitability of the farm; (2) the prevention of the degradation of farmland soils, the long-term improvement of the fertility and physical properties of such soils; and (3) the protection of water supplies from contamination by managing or minimizing agricultural pollutants.

The plans shall also: (1) comply with all applicable requirements to protect natural resources; and (2) contain such other terms as the Secretary may, by regulation, require.

The Conference substitute adopts the House provision with amendments. Eligibility criteria are added that require a participant to have and apply the plan, devote a resource conserving crop to 20 percent of the crop acreage bases enrolled into the program, participate in and comply with the requirements of the annual acreage limitation programs, and keep such records that the Secretary may require.

(101) Administration

The Senate bill establishes that the Secretary shall provide technical assistance to participants to formulate their plans. Plans may draw on technical guides and may include other appropriate practices. The Secretary shall also provide participants sufficient flexibility to adjust or modify their plans, except that such adjustments shall be approved by the Secretary.

The House amendment directs the Secretary to provide technical assistance to producers, in consultation with the local conservation districts, in developing and implementing plans, in evaluating the effectiveness of plans, and assessing the costs and benefits of the practices in the plans. The plans may draw on technical guides and include other appropriate practices. The Secretary is to provide sufficient flexibility for a producer to adjust or modify the plan to respond to appropriate changes in conditions.

The Conference substitute adopts the House provision with an amendment that directs the Secretary to also consult with any other Federal, State or local authority the Secretary deems appropriate in administering the program.

(102) Acreage

The Senate bill directs the Secretary to enroll, to the extent practicable, not less than 3 and no more than 5 million acres during each crop year from 1991–1995.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(103) Base Protection

The Senate bill establishes that participants in the ICM will not have their crop acreage bases reduced during the program as a result of the planting of resource conserving crops on their base acres.

The House amendment is similar to the Senate provision, except that farm program payment yields are also protected.

The Conference substitute adopts the House provision, incorporating it into a new program rules section.

(104) Payments

The Senate bill establishes that deficiency payments shall be made on base acres planted to resource conserving crops, if such crops are not hayed or grazed. If such land is hayed or grazed, such payments will be received if the resource conserving crop is a small grain such as oats or triticale and the small grains residue is grazed following the 5-month period established in the 1949 Agricultural Act.

The House amendment establishes that payments will be protected on that portion of the base acreage devoted to a resource-conserving crop. The Secretary shall eliminate any program payments such producer is otherwise eligible to receive if such producer hays or grazes the enrolled acreage during the 5-month period in each State, or before the producer harvests the small grain crop in kernel form, whichever is sooner.

The House amendment also establishes producers may not receive payments on traditionally under-planted acreage, which is defined to mean the 3 year average acreage that is part of a producer's base and is permitted to be planted but is not planted, minus the portion of the crop base subject to an ARP or required to be set aside for the current crop year.

The Conference substitute adopts the House provisions with amendments. The word "eliminate" is deleted and replaced with the phrase "not make". Resource conserving crops may be planted on reduced acres and be considered a conserving use, except that barley, oats or wheat planted as part of a resource conserving crop may not be harvested in kernel form. Reduced acreage devoted to perennial cover established with Federal cost-share assistance may not be considered a resource conserving crop for the purposes of this program.

The House amendment also denies any program payment for a resource conserving crop planted on traditionally underplanted acres. Traditionally underplanted acres is defined for both 0-92 participants and other producers who have not been in 0-92. For these latter producers, traditionally under planted acres is defined as the difference between the average of the crop acreage base not planted to a program crop in the previous three years and the set-aside requirement for the current year.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment that defines traditionally underplanted acres for non-0-92 participants as the average for the previous three years of the difference between those crop acreage base acres not planted and those crop acreage base acres set-aside under an annual program.

(105) Adjustments to Annual Set-Aside Acres

The Senate bill directs the Secretary to make fair and equitable adjustments to a participant's acreage reduction requirements to reflect drop in commodity program crop output as a result of participation. The entire set-aside requirement shall be waived under specified conditions. The Secretary may also waive the cross-compliance requirements, if necessary as part of the plan.

The House amendment is similar to the Senate provision.

The Conference substitute deletes both the House and Senate provision for making adjustments to the acreage reduction requirements.

(106) Base Acre Adjustment

The House amendment establishes that for the purposes of establishing a producer's crop acreage base, the Secretary shall make adjustments as are fair and equitable to reflect program participation. The total of these adjustments shall not exceed the savings in the same year that would result from the implementation of plans.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment making the requirement that the Secretary make adjustments to a producer's crop acreage base discretionary.

(107) Haying and Grazing Restriction

The Senate bill establishes that, notwithstanding any other provision of this section, the Secretary may restrict any haying and grazing under this program if it is determined that the haying and or grazing of the resource conserving crop could adversely affect the local markets.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(108) Contracts

The House amendment directs the Secretary to enter into contracts with producers to enroll acreage in the program, and requires the contracts to be for a period of not less than 3 years, or, at the producer's option, for a longer period of time up to 10 years.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment that changes the contract period to 3 to 5 years, and provides the producer with the option to renew the contract at the end of the contract period, if agreed to by the Secretary.

(109) Minimizing Economic Effects

The House amendment directs the Secretary to implement the program so as to minimize any adverse economic effect on the agribusinesses and other agriculturally related economic interests within the area. The Secretary may restrict the total amount of crop acreage that may be removed from production, taking into consideration the total amount of crop acreage that has, or will be, removed from production under other price support, production adjustment, or conservation program activities.

The House amendment also directs the Secretary to permit, to the greatest extent practicable, producers to enroll enough acreage into the Integrated Farm Management option adequate to maximize conservation goals on such farm and ensure economic effectiveness of the program in each individual application. Any enrollment of land that results in an average decrease of harvested acres on the farm in excess of 25 percent over the life of such plan as compared to current operations is to be deemed as CRP acres for the purpose of applying the county limit on acres placed in the reserve.

The Secretary is directed to not enroll any acreage, to the extent practicable, under this program to the extent that the average amount of cropland removed from production in any county under the plan developed for such acreage over the life of such plan plus the total amount of cropland removed from production in such county under the CRP, and other supply control programs would exceed 25 percent of the total commercial cropland in any such county.

The Secretary is also prohibited from approving any plan that will result in the involuntary displacement of farm tenants or lessees by landowners through the removal of substantial portions of the farm from production of a commodity.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment that deletes the provisions with regard to acreage enrolled into this program and the conservation reserve 25 percent county limit.

The Managers note that the overall acreage limitation of 20 million acres placed in the program will effectively minimize any local negative economic consequences that could result from the program. This is particularly true since limited, but important, economic use is allowed on the acres enrolled into this program. At the same time, negative economic effects are possible, and the Managers intend that the Secretary consider this potential when determining whether or not to enroll land into the Integrated Farm Management program. The Managers intend that this program be implemented, to the extent possible, so as to ensure there are no negative economic consequences for local communities.

The House amendment also directs the Secretary, in the case of any tenant or lessee who has rented or leased the farm (with or without a written option for annual renewal or periodic renewals) for a period of two or more of the immediately preceding years, to consider the refusal by a landlord, without reasonable cause other than simply for the purpose of enrollment in the program, to renew such rental or lease as an involuntary displacement in the absence of a written consent to such non-renewal by the tenant or lessee.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

(110) Certification and Termination

The House amendment directs the Secretary to certify compliance by producers with the terms and conditions of the plans. The Secretary is authorized to terminate a contract entered into with a producer under this program if the producer agrees to such termination or the producer violates the terms and conditions of such contract.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

(111) Reports

The House amendment directs the Secretary to submit to Congress not later than April 1, 1991, and each April 1 thereafter, a report describing the progress of the program.

The Senate bill has no comparable provision.

The Conference substitute deletes the House provision.

(112) Resource conservation and development program

The Senate bill and the House amendment have the same provision. The Conference substitute adopts the Senate provision with an amendment that reauthorizes the program through 1995. Number of areas is increased to 450.

(113) Amendment to the Noxious Weed Act

The Senate bill establishes a noxious weed management program for Federal, State and private lands. It is the purpose of the program to prevent and control undesirable plant species on Federal lands, and to conduct a national noxious weed management coordination program.

The House amendment amends the 1974 Noxious Weed Act. The Secretary of Agriculture shall use this authority to control the spread of undesirable plants as a result of transporting seeds or commodities to or from Federal lands.

The Conference substitute adopts the House provision, with amendments.

(114) Farmland Protection Policy Act

The Senate bill establishes that Federal Departments and agencies shall use the USDA developed criteria to identify the actual quantity of farmland converted by Federal programs.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(115) Great Plains conservation program

The Senate bill reauthorizes the program for 10 years, and provides a total of $1.2 billion in authorizations for the program.

The House amendment is similar to the Senate provision, but establishes only $900 million in program authorizations.

The Conference substitute adopts the Senate provision with an amendment to allow for $1 billion in program authorizations.

The Senate bill also directs the Secretary to substitute, where practicable, more intensive management measures for structural measures. The Secretary is also required to collect and maintain comprehensive data on the economic and natural resource consequences of the applications implemented under this program.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(116) Composting research and extension program

The Senate bill directs the Secretary to assemble a catalog of laws, rules, and programs adopted by State and local governments, and foreign countries, that relate to various factors affecting the quality and use of compost. The Secretary also is directed to conduct a study report to the Congress on compost use, and composting processes involving various forms of organic waste matter. A 15 member compost "task force" comprised of professionals from public and private sector is established which is authorized until 1995.

The House amendment contains several findings, including the value of composting for various purposes, and the role USDA should play in supporting and using compost research. The Secretary is directed to identify appropriate methods of composting agricultural wastes and potential uses for such compost. A compost Task Force, similar to that established in the Senate provision, is also in the House amendment, except that the task force is exempted from the Federal Advisory Committee Act. The Secretary is directed to conduct research on various aspects of compost production and use.

The House amendment, as in the Senate provision, directs the Secretary to prepare a catalog of or rules and laws, but provides greater detail as to what the catalog is to contain. The Secretary is also directed to initiate extension efforts for the dissemination of information on compost. The Secretary is directed to enter into agreements with appropriate Federal agencies to identify opportunities for applying compost on Federal lands, and is required to disseminate the results of compost research to all appropriate Federal agencies. Six months after the enactment of this Act, and every year thereafter, the Secretary is to report to Congress on the activities under this program.

The Conference substitute adopts the House provision with substantial amendments. The Secretary is directed to identify and compile information about compost, and to make such information available to the appropriate public and private authorities. The information to be compiled is on all aspects of compost production and use, as well as information on the laws, rules, and programs adopted by State and local governments, and foreign countries, that relate to various factors affecting the quality and use of compost. The Secretary is directed to consult with the appropriate authorities in conducting such work. The Secretary is also directed to conduct research on the production and use of compost, as well as initiate an extension effort to inform the agricultural community of the information on compost.

Subtitle E—Watershed Protection and Flood Prevention Act

Watershed Protection and Flood Prevention

(117) Relation of benefits to agriculture

The Senate bill amends current law, so that all watershed projects shall be required to contain at least 20% of their benefits to agriculture and upstream rural communities.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment that deletes the word "upstream".

(118) Use of Wetlands for Flood Control Purposes

The Senate bill gives the Secretary the authority to provide cost share assistance for the purchase of wetlands easements for flood control and other purposes.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(119) Data

The Senate bill directs the Secretary to collect and maintain data, on a State-by-State basis, on expenditures for individual flood control measures that are being cost shared under the program, as well as the expected flood control and environmental benefits that result from such measures.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(120) Water Quality Improvement

The House amendment authorizes the Secretary to enter into agreements as part of a watershed project to enhance the water quality on such lands.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

(121) Disposal of Dredge Materials

The Senate bill amends current law so that local project sponsors will be required to purchase the land rights necessary for the disposal of dredge materials.

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

(122) Construction Cost Share Assistance

The Senate bill amends current law, which requires the Federal government to pay 100 percent of the construction costs of these projects, so that the cost share rate shall be "up to" 100% of the costs of construction.

The House amendment has no comparable provision.

The Conference substitute adopts the House provision, deleting the Senate provision.

CHAPTER 2—FARMLAND PROTECTION

(123) Funding

The Senate bill directs the Secretary to issue stock to Treasury for the purpose of obtaining funds to run the program.

The House amendment makes the program entirely subject to appropriations.

The Conference substitute adopts the House provision, making the program subject to appropriations. A mandatory pilot project is also established in Vermont.

(124) Loan Guarantees

The Senate bill directs the Secretary to guarantee loans that match, on a 2 for 1 basis, the funds made available by each State for farmland protection activities.

The House amendment is similar to the Senate provision except that the Secretary is directed to guarantee loans that match on a 1 for 2 basis the funds devoted to this program by States.

The Conference substitute adopts the Senate provision.

(125) Maximum Loan Guarantee

The Senate bill sets a maximum of $10 million annually to any eligible State.

The House amendment is the same as the Senate provision.

The Conference substitute adopts the Senate provision.

(126) Interest Cost Subsidy

The Senate bill requires the Secretary to reimburse States for all interest costs for the first 5 years of the loan. For the second 5 years of the loan, the Secretary will reimburse at a rate that will leave the State paying the limited resource rate.

The House amendment is the same as the Senate provision except that there is no subsidy for the second 5 years of the loan.

The Conference substitute adopts the Senate provision.

(127) Definition of an Eligible State

The Senate bill requires that, in order to be eligible, a State must have a farmland protection program by August 1, 1991.

The House amendment is similar to the Senate provision.

The Conference substitute adopts the Senate provision with an amendment making the pilot State (Vermont) eligible for direct spending assistance and the other eligible states eligible for assistance subject to appropriations.

(128) Regulations

The Senate bill specifies that the regulations shall encompass the application, payment, record keeping and abuse control procedures for the program.

The House amendment requires regulations to be promulgated, but does not include specifics on their content.

The Conference substitute adopts the Senate provision.

(129) Report

The Senate bill requires the Secretary to report to Congress on the progress of the program by Sept. 30, 1992.

The House amendment does not require any report.

The Conference substitute adopts the Senate provision.

(130) Duration of the Program

The Senate bill establishes that the program expires on Sept. 30, 1996.

The House amendment establishes that the program expires on Sept. 30, 1995.

The Conference substitute adopts the Senate provision.

Subtitle F—Administration of Environmental Programs

(131) Federal Administration (S 1435–39)

The Senate bill establishes a Federal administrative structure for groundwater oversight by: listing the responsibilities of USDA (Sec. 1435); creating the Office of Groundwater Policy Coordination and listing the duties of the office (Sec. 1436); establishing the position and duties of Director of the office as the contact within USDA for groundwater (Sec. 1437); establishing an intra-agency committee on groundwater quality to assist the Director (Sec. 1438); and allowing the Director to establish technical support committees and technical integration groups as necessary.

The Senate bill states that the Federal Advisory Committee Act does not apply to any advisory committees. (Sec. 1439).

The House amendment contains no comparable provision. The Office of Environmental Quality established in Section 1612 of the amendment would provide oversight for this program. The Director is required to prepare a plan to implement the environmental quality policy statement. The Council established in section 1612, through the Director, is required to prepare an annual report to Congress.

The Conference substitute adopts the House provision with an amendment to establish an Office of Environmental Quality and an Agriculture Environmental Quality Council to be chaired by the Secretary or by the Secretary's designee. The Director of the Office will assist the Council and serve as its Executive Director.

Subtitle G—Water Quality Research, Education, and Coordination

(132) Water Policy Research, Education and Coordination (S. 1435; H. 1365)

The Senate bill establishes USDA as the principal Federal agency responsible for agricultural groundwater concerns and provides several mechanisms in order to improve the coordination and management of USDA and State activities dealing with groundwater policy, research, and education.

The purpose and structure of the House amendment is similar, but with fewer specifications.

The Conference substitute adopts the House provision.

(133) Purpose, Definitions, and Authorization (S 1441, 1448, 1458, 1462, 1467, 1470)

The House amendment establishes a purpose for this subtitle of ensuring that the USDA develops and implements a coordinated, integrated and comprehensive intra-agency program to protect waters from contamination.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

The Senate bill provides definitions for the following terms: agrichemicals; agriculture ground water management practices; agriculture management practices; agricultural nitrogen; contaminant; director; food and agriculture councils; ground water; groundwater quality coordinator; office; pesticide; root zone; soil and water conservation committees; secretary; state; state government agency; state water quality advisory council; technical integration group; vadose zone or unsaturated zone; and zone of saturation.

The House amendment provides definitions for the following 7 terms: agricultural nitrogen; contaminant; Department; Food and agriculture Councils; soil and water conservation committees; Secretary; and State.

The Conference substitute adopts the House amendment regarding the purpose and definitions.

Section 1441 of the Senate bill authorizes $1,000,000 for each fiscal year 1991 through 1995 and any additional funds necessary for Federal coordination activities.

Section 1448 authorizes $10,000,000 for each fiscal year 1991 through 1995 for the State groundwater quality coordinators and $1,000,000 each fiscal year to enable the Secretary to undertake the reviews and studies required.

Section 1458 authorizes $56,000,000 for each fiscal year 1991 through 1995 for Extension education activities.

Section 1462 authorizes such sums as necessary for SCS activities.

Section 1467 authorizes not less than $15,000,000 of the Agricultural Research Service general funds and $15,000,000 of the Cooperative State Research Service general funds be devoted to the program in this title for fiscal year 1991 and $20,000,000 from each account in fiscal years 1992–1995.

Section 1467 further provides that $5,000,000 is authorized for fiscal year 1991 for Economic Research Service and $7,500,000 for fiscal years 1992–1995.

Section 1470 provides $1,000,000 for fiscal year 1991 and $400,000 each year thereafter for databases at NAL on groundwater quality.

The House amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment to provide such sums as necessary.

(134) State coordination (S 1442–47; H 1366)

Sections 1442 through 1447 of the Senate bill concerns State groundwater activities and coordination. These sections provide that: (1) The Secretary shall establish State intra-agency groundwater coordination and ad hoc advisory committees as appropriate; (2) the Secretary, acting through the Extension Service, shall establish a state groundwater quality coordinator to coordinate state and federal policy on groundwater; (3) The state coordinator, along with the state groundwater committee, is required to review the state's non-point source pollution plan required by the Federal Water Pollution Control Act and the mapping of hydrologic units within each state; and complete an assessment of state groundwater programs and needs; and (4) the Groundwater Committee shall submit an annual report to the Groundwater Director and the Chief Executive Officer of the State.

Sec. 1366 of the House amendment provides for: (1) a water quality coordination program within each State which shall use the expertise of the food and agricultural councils; (2) the membership of the state water quality coordination program; (3) designation by the Secretary of a state water quality coordination program leader from among the Federal agency representatives; (4) other activities, including Federal coordination with water quality plans developed within the state, review of State hydrologic units and assessment of State needs; (5) the establishment of State ad hoc advisory panel by the chair of the water quality coordination program; and (6) an annual report to the Environmental Quality Office by the State program.

The Conference substitute adopts the House provision with an amendment to delete the annual reports to the Environmental Quality Office.

(135) Extension and Education (S 1451–58)

The Senate bill establishes a national chemical education program.

The Secretary, in concurrence with the Administrator of EPA, shall establish a national program for information on the safety of fertilizer use and use of pesticides that are not classified as restricted use pesticides.

The Secretary shall, among other things, develop guidelines and provide information to users and dealers, including information on safety, the environment and disposal of unused chemicals, and be the national coordinator of training for applicators and dealers.

Section 1452 provides that the program provide for the voluntary adoption of nutrient management practices and groundwater practices that protect ground water. Examples such as the use of crop rotations and the storage and handling of fertilizers are provided.

The Secretary shall strengthen programs on soil and tissue testing information.

The Extension Service shall: (1) improve programs to educate and assist farmers regarding nutrient management and pesticide application, so that programs focus more on groundwater management (Sec. 1451); (2) establish a national program to educate homeowners on use and disposal of household chemicals, pesticides and fertilizers (Sec. 1454); (3) conduct educational activities concerning water quality education and provide a training program for the State groundwater Quality Coordinators (Sec. 1456); and (4) establish a national well water testing project that provides information on sources of testing and help in interpreting results (Sec. 1457).

The House amendment contains no provisions regarding the activities of the Soil Conservation Service (SCS) and the Extension Service which are comparable to the Senate bill.

Section 1368 of the House amendment authorizes a research and development program on nutrient management practices relying, to the maximum extent possible, on multidisciplinary research teams and conducted in cooperation and coordination with Federal, State and other public and private entities, including the National Fertilizer and Environmental Research Center.

Research shall emphasize whole-farm systems approaches to nutrient management practices and shall include, among other topics: nutrient management, availability, and use efficiency, soil and tissue testing, enhancement of soil productivity, use and role of cover crops, legume management, nutrient use and water quality, subsoil fertility, and other critical areas identified by the Secretary.

The Conference substitute adopts the House provision.

The Managers note that additional water quality extension functions are authorized as a part of Chapter 3 of Title XII.

(136) Soil Conservation Service (S 1459-62)

Sections 1459 through 1462 of the Senate bill concern the activities of the SCS.

The Soil Conservation and Domestic Allotment Act (16 U.S.C. 590e) is amended to add groundwater protection to the purposes of the SCS.

The SCS, in consultation with the State experiment stations and their directors, shall: (1) review State conservation plans for compliance; and (2) create a database concerning groundwater practices included in plans.

The SCS shall develop groundwater management guidelines and include those guidelines in SCS field guides and within 6 months of enactment determine how to modify the National Resources inventory to account for groundwater information.

The House amendment contains no comparable provision.

The Conference substitute adopts the House provision.

(137) Research Topics (S 1463-65; H 1367(c))

Section 1463 of the Senate bill sets forth 7 findings, including a finding which states that research agendas need to be integrated and coordinated.

Section 1464 lists a series of research areas that shall be investigated.

Section 1465 requires States to prioritize the agriculture and groundwater research agenda for their State addressing the 15 research topics which are to be analyzed at the regional and Federal level and included in several reports.

Section 1367(c) of the House amendment establishes a series of purposes for water quality research projects.

The Conference substitute adopts the House provision with an amendment to incorporate nutrient management research into House section 1367.

(138) Data Compilation (S 1468, 1469; H 1369–71)

Sections 1468 and 1469 of the Senate bill establish a national repository at the National Agriculture Library (NAL) for data and information on ground water.

A repository of the reports developed under this subtitle and other information, including water quality planning documents, compilations of relevant Federal and State statutes, and listings of other data bases on water quality is established at the NAL.

An interactive data base is to be established at the NAL on State laws that address relationships between agricultural production and water quality and information on State programs as compiled by the State water quality coordination programs.

The Director of the NAL, together with the State water quality coordination programs and the Administrators of appropriate Departmental agencies shall develop standardized formats and procedures for data entry into the data base to facilitate access by interested parties in the States.

Sections 1369 through 1371 of the House bill concern data collection and deposit and establish similar provisions, with the following additions that the Secretary shall submit a report to Congress within 270 days of enactment on the measures necessary to develop an interactive, descriptive national data base on agricultural practices and water quality.

The Conference substitute adopts the Senate provision.

(139) Water Policy With Respect to Agrichemicals (S 1435; H 1365)

The Senate bill establishes USDA as the principal Federal agency responsible and accountable for development and delivery of educational programs, technical assistance, and research for uses of agrichemicals and consumers.

The House provision is similar with the additional requirement that the Secretary act in coordination with the Office of Environmental Quality established in Section 1612 of this bill. (Section 1365)

The House amendment lists several Federal agencies that shall participate in the Department's water program. This list closely corresponds to the membership of the Committee on Groundwater Quality established in Section 1438 of the Senate bill.

The Conference substitute adopts the House provision with an amendment to acknowledge the role of the EPA in the program.

(140) Development and Implementation of Water Policy (S. 1440)

The Senate bill provides mechanisms for development and implementation of groundwater policy by: requiring development of a USDA "Agency-Specific Groundwater Policy Statement," covering USDA capabilities, jurisdictional problems and areas for research, requiring development of a "National Agriculture Groundwater Plan," a comprehensive 5-year plan for managing USDA groundwater policy, research, and education; and requiring an annual "Groundwater Activities Report" to allow the public to follow the progress of the program. (Section 1440)

The House amendment contains no comparable provision.

The Conference substitute adopts the House provision.

(141) Experimental Water Quality Enhancement Program (H 1374-76)

The House amendment establishes a new experimental water quality enhancement program that requires the Secretary to implement, during the 1991-1995 crop years, a program to assist owners and operators affected by section 319 of the Federal Water Pollution Control Act or in other areas designated by the Secretary in order to minimize water contamination from agriculture production practices.

The Secretary shall: (1) enter into agreements with farmers and ranchers to reduce water quality problems in designated areas; (2) prepare water quality management plans for farms and ranches enrolled in this program; and (3) enter into agreements under this program with farmers and ranchers for between three and five years. The Secretary may include land outside of designated areas in the program if continuing existing management practices on that land would defeat the purpose of this program.

Participating owners and operators must: (1) implement a water quality management plan approved by the local conservation district for water quality improvement; (2) consider recommendations by the Secretary for application and disposal of nutrients, pesticides, and animal waste materials; (3) certify nutrient, pesticide, and animal waste usage rates for three previous years; (4) supply various production and well-test data to the county committee for each year of the agreement; (5) comply with terms or conditions of the agreement or be ineligible for any assistance or payment specified in section 1211 or 1221 of this bill; (6) upon transfer of the land subject to the agreement, unless the transferee agrees to assume the obligations of the agreement, forfeit all rights to exceed permitted acres or reduced set aside; (7) not conduct any practice on the land that would defeat the purposes of this program; and (8) comply with additional provisions as determined by the Secretary.

Water quality management plans shall set forth the best management practices to be used.

The Secretary shall, as the Secretary determines appropriate: (1) provide reductions in set aside requirements; (2) increase permitted acreage of program crops, except quota or allotment crops; (3) allow program deficiency payments to be based upon the greater of established yield or actual yield; (4) not require structural practices as a requirement of participation in the program; (5) encourage the participant to obtain cost share assistance under Federal, State, or local programs; (6) provide operating loans to implement the water quality plan or conduct well testing; and (7) provide technical assistance to the owner or operator.

No water quality management plan shall be required under this program that requires above normal expenditures by the owner or operator unless the owner or operator approves or unless financial assistance is available. The range of farm and ranch operations included in the water quality management plan are provided.

If, during the term of the agreement under this program, the land is sold or transferred, the new owner or operator may continue the agreement, enter into a new agreement, or elect not to participate. The Secretary may modify a contract or terminate an agreement under this program.

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(142) Agriculture Environmental Restoration (H. 1376a)

Section 1376A of the House amendment requires that the Secretary establish an environmental restoration program in USDA to further assess and identify any releases of hazardous substances, including groundwater contaminants, from facilities owned, operated, or formerly operated by USDA.

The Secretary shall: (1) identify each facility, including grain storage facilities; (2) consult with EPA administration and State officials and notify persons living in the vicinity of any possible contamination if found; (3) submit an annual report to Congress; and (4) prepare cost estimate and work schedule for response actions.

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

Subtitle H—Pesticides

(143) Recordkeeping Requirements (S 1283(a); H 1371A(a))

The Senate bill requires producers who are certified applicators to keep records of their use of restricted use pesticides for 2 years. (section 1283(a))

The House amendment requires that producers must maintain records of their use of all pesticides for agricultural production, including post-harvest treatment, or other commercial purposes for 2 years. The House amendment further requires that copies of records maintained by commercial applicators shall be provided to a person for whom the pesticide was applied within 30 days. (section 1371A(a))

The Conference substitute adopts the Senate provision requiring that records of the application of restricted use pesticides be maintained for two years but adopts a House provision that all certified applicators of such pesticides, both agricultural and nonagricultural, keep such records. The substitute also adopts the House provision requiring commercial applicators to provide application records to person for whom an application was provided.

(144) Contents of Records (S 1283(a); H 1371A(a))

The Senate bill requires that the records required under this provision shall contain information comparable to that maintained by commercial applicators in the state in which the certified applicator resides. If the State has no such requirements, such applicators shall maintain records that contain the product name, amount, approximate date of application, and location of application of such pesticide used. (S 1283(a))

The House amendment requires that records shall contain the product name, amount and rate of application, method of application, target pest, crop, or if a nonagricultural treatment, the site treated, date and approximate time of application and its location. (H 1371A(a))

The Conference substitute adopts the Senate provision.

(145) Agency Access, and Government Information Requests (S1283(b); H 1371A(a)), (S 1283(c); H 1371A(a))

The Senate bill directs that records be made available to any Federal or State agencies that deal with pesticide use or any health or environmental issues related to the use of pesticides, upon request.

The Senate bill further restricts access to information maintained under this section from disclosure, except to employees of Federal or State agencies that deal with pesticide use or any health or environmental issues related to the use of such pesticides.

The House amendment requires information maintained as records, data compiled from records, or surveys and reports to be made available to Federal, State, or local agencies that deal with pesticide use or any health or environmental issues related to the use of pesticides.

In addition, the House amendment provides that Federal agency access to records be the responsibility of USDA or its designee. Non-Federal agency requests will be the responsibility of the agency designated by the State. Information maintained by any government agency shall be subject to public disclosure under the provision of the Freedom of Information Act (5 USC 552(a)) or similar State law except for the name and address of the individual keeping the records and the specific location of application in the records, except designation of the county of application.

The Conference substitute adopts the Senate provision with regard to records made available to Federal or State agencies and the provisions of the House amendment that provide for Federal agency access to pesticide use records to be the responsibility of the Secretary of Agriculture, or the Secretary's designee and for non-Federal agency requests for access to records maintained under this section to be the responsibility of the lead State agency so designated by the State. In addition, the substitute provides that each Federal agency shall conduct surveys and record the data from individual applicators to facilitate statistical analysis for environmental and agronomic purposes, but in no case may a government agency release data, including the location from which the data was derived, that could directly or indirectly reveal the identity of individual producers.

The Managers intend that access to records maintained by certified applicators in accordance with this section be managed in a manner that will minimize the burden which is placed upon individual producers. In order to do so, the Managers have adopted language that would make Federal agency access to individual applicator or producer records the responsibility of the Department of Agriculture or its designee. In this way, USDA personnel or the personnel of the agency designated by the Secretary, would be the only Federal agency that need contact individual producers. However, the records obtained in this manner would be made available through USDA or the designated lead agency, to other Federal agencies for use in statistical analysis and for other purposes. Similarly, a single State lead agency would be identified to contact producers to obtain records on behalf of other state agencies. Both the Federal and State lead agency would be expected to respond to the requests of other agencies for access to such records and data in a timely and complete manner.

(146) Health Care (S 1284(c); H 1371A(c))

The Senate bill provides that, upon the request of any medical personnel, a producer shall provide the name of the product and any associated label information for any pesticide for which records are maintained so that emergency treatment may be provided to an individual who may have been exposed to the pesticide.

The House amendment establishes that persons covered by this section shall provide record and available label information to a health professional who requests information because it is needed to provide medical treatment or first aid to a person who may have been exposed to a pesticide. Information must be provided promptly, or immediately in the case of an emergency.

The Conference substitute adopts the House provision.

(147) Employee Information (H 1371A(d))

The House amendment requires that, upon request, persons covered by this section shall provide records on a pesticide to an employee who may have been exposed.

The Senate bill has no comparable provision.

The Conference substitute deletes the House provision.

(148) Penalty (S 1283(d); H 1371A(e))

The Senate bill provides that the Secretary of Agriculture shall notify the Administrator of the EPA of producers not in compliance with this section. The Administrator may revoke the certification of such producers or shall make them ineligible for certification for such length of time as the Administrator deems appropriate.

The House amendment requires that persons who fail to comply with this section shall be subject to a fine in an amount up to $500 for the first offense, and not less than $1000 for each subsequent offense, except in the case of a good faith effort to comply.

The Conference substitute adopts the House provision.

(149) Surveys and Reports (S 1283(f); H 1371A(g))

The Senate bill requires the Secretary of Agriculture, in consultation with the Administrator of EPA, to develop and maintain a database comprised of pesticide usage information in order to publish periodic reports concerning agricultural and nonagricultural use. Reports shall provide aggregated data only in order to protect the identity of individual applicators.

The House amendment directs the Secretary of Agriculture and the Administrator of EPA to survey records maintained under this section in order to develop and maintain a data base and publish annual reports. A memorandum of understanding shall define the respective duties of each agency.

The Conference substitute adopts the House provision.

(150) Federal or State Law (S 1283(e); H 1371A(f))

The Senate bill provides that the provision of other State or Federal laws shall not be affected by this section.

The House amendment is the same as the Senate provision.

The Conference substitute adopts the House provision.

(151) Regulations (H1371A(h))

The House amendment requires that regulations implementing this section shall be promulgated within 180 days.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

(152) Amend FIFRA (S 1283(g))

The Senate bill amends Section 11(d) of FIFRA to permit the Secretary to require private applicators of pesticides to maintain records of the purchase and use of any restricted use pesticide.

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

(153) Minor Use Pesticides (S 1781, 1782, 1783, 1784)

The Senate bill provides that, in registering a pesticide for a minor agricultural use, it is not necessary to submit field residue data from geographic areas where the pesticide will not be used. The Administrator of EPA is allowed to reduce or waive a fee for a re-registration of a pesticide for a minor agricultural use if the loss of the registration will significantly reduce the availability of the pesticide for the use, as long as the pesticide does not pose a risk to the environment. The bill provides for a 30-day public comment period prior to the cancellation of one or more uses of a pesticide under a notice of voluntary cancellation. If the registration is for a minor use, and the loss of the registration would affect the availability of the pesticide for use, 90 days must be allowed from publication in the Register before a decision is made on the cancellation, as long as the continued use of the pesticide does not pose an unreasonable risk to the environment. A procedure is set up to allow for the transfer a registration of pesticide which may be voluntarily cancelled if all conditions set by the Administrator are met, and the pesticide does not pose an unreasonable risk to the environment. If a transfer is granted, the new registrant shall assume all outstanding data and other requirements pending. (Section 1781, 1782, and 1783)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

The Senate bill expands current USDA efforts to identify pests and methods, both chemical and nonchemical, in which to control pests specifically for minor use crops. The Secretary is required to report within 180 days, and annually thereafter, on these activities. The Administrator, in cooperation with the Secretary, is required to develop pest control approaches for minor agricultural uses based on integrated pest management. (Section 1784)

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to require that information compiled in the pest and disease control data base established in Section 1651 of the Act be included in the contents of the report.

(154) IR-Program (S 1786, 1787)

The Senate bill provides findings in support of an expanded IR-4 program. (Section 1786)

The House amendment contains no comparable provision.

The Conference agreement deletes the Senate provision.

The Senate bill requires the Secretary to assist in the collection of residue and efficacy data in order to facilitate pesticide registrations and tolerances for minor agricultural uses. In this program, the Secretary shall cooperate with other agencies, private industry and interested parties; give priority to registrations, re-registrations and tolerances for food use crops; participate in research to reduce pesticide residues in minor use crops; develop residue analytical methods for minor use crops; and coordinate with EPA on biological and alternative methods of pest control.

The Secretary shall submit an annual report on data collection issues, plans, and research conducted for registrations, re-registrations or tolerances under this authority. The Secretary shall also review and report on the recoupment of costs of developing data under this program for those registrants who make a profit subsequent to a registration, re-registration or tolerance established with the data.

The authorization for appropriations is increased to $25 million for 1991, and such sums as necessary thereafter. (Section 1787)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(155) Biological Pesticide Handling (S 1773)

The Senate bill requires the National Academy of Sciences to conduct a study of biological control programs and registration procedures of the Food and Drug Administration, U.S. Department of Agriculture Animal and Plant Health Inspection Service and the EPA. Following the study, these agencies must develop and implement a common process for review and approval of biological control applications based on its findings and recommendations. (Section 1773)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(156) Agricultural Chemical Containers—Collection and Recycling (S 1772; H 1381)

The Senate bill authorizes the Administrator of EPA to promulgate standards for a national agriculture chemicals plastic container collection and recycling program. The standards will include options to landfills; that are environmentally and economically sound; be coordinated with state, county and regional entities; not be overly burdensome on small businesses and retail dealers; and not affect authorities under the Solid Waste Disposal Act and FIFRA.

The Administrator shall conduct a study to assess the feasibility of the standards. The study will include a review of the regulation, transportation, and funding of the program. $1.5 million is authorized for these activities. (Section 1772)

The House amendment authorizes the Secretary of Agriculture to direct the Extension Service to operate a program in each State to catalogue the Federal, State, and local laws and regulations which govern the disposal of unused or unwanted agricultural chemicals and agricultural chemical containers in such State. The program established under this section shall also make available to producers of agricultural commodities and the general public, educational materials developed or collected by the program. (Section 1381)

The Conference agreement deletes both provision.

(157) Agricultural Pest Control (S 1771; H 1379, H 1380, H 1347)

The Senate bill requires the Secretary of Agriculture to establish a national program to compile a database on chemical and nonchemical pest control methods used in commercial agriculture. This information will be provided to the Administrator of EPA for benefit assessments of pesticides. The data shall be collected through state surveys in cooperation with the national program. The Secretary may provide grants and reimbursements to States for data collections. (Section 1771)

The House amendment contains establishes a Pesticide Impact Response Program to collect and analyze information by the Department of Agriculture and States on pesticide use in agricultural activities; and the impact of FIFRA pesticide regulations on the agricultural economy, including the impact on production and prices of agricultural commodities and retail food. A Board of Pesticide Assessments, consisting of representatives of appropriate federal agencies, is to be appointed to provide advice on the policies, priorities, projects and operations of the program.

The Director of the Program is instructed to: (1) work with the Administrator to assure that pesticide assessments developed under the program are suitable to the needs and requirements of the Administrator, and that they are of sufficient quality to be publishable works of research, and released in a timely manner with respect to proposed EPA regulations; (2) work with EPA developing benefits and use data regarding the pesticide and information on exposure; (3) establish data collection priorities to satisfy any requirements or priorities relevant to the program; and (4) consult with EPA to anticipate actions that may entail the cancellation, restriction, or reclassification of pesticides.

Within one year of enactment of this Act, the Director is required to prepare a five-year planning report on the priorities of the program (including the priorities established by the Director), which is to be updated for each five-year period thereafter.

The Secretary is authorized to collect data of statewide significance on the use of pesticides to control pests and diseases of major crops and crops of dietary significance. Such data shall be collected by surveys of farmers or from other sources offering statistically reliable data. This information shall be submitted to the Director of the Pesticide Impact Response Program; and made available to the public through the National Agricultural Library and other sources as appropriate. (Section 1379 and 1380)

The Conference agreement deletes both provisions.

(158) Policy With Respect to Agrichemicals

The Senate bill stated that the Department of Agriculture should be the principal Federal agency for delivery of educational programs to users of agrichemicals and consumers. (Section 1435)

The House amendment stated that the Department of Agriculture would play the same role as in the Senate provision, except that no provision was made for the delivery of such information to consumers. (Section 1365)

The Conference substitute adopts the House provision with an amendment stating that this statement of responsibility does not alter or affect the responsibilities of the Environmental Protection Agency under FIFRA. (Section 1499).

(159) USDA Offices on Indian Lands

The Senate bill establishes a demonstration project for 12 reservations or areas under tribal authority is established. In such areas, ASCS, SCS and FmHA offices are to be established for carrying out USDA activities specifically for the Indian population. On other Indian lands, USDA to provide services for at least 1 day per week, or more as needed. A study of the demonstration project is required within 3 years of enactment.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment limiting the provision to requiring the Secretary to provide services at least 1 day a week on the appropriate reservations, as determined by the Secretary. The entire provision is moved into the Miscellaneous title of this Act.

(160) Report Concerning International CRP

The Senate bill directs the Secretary to conduct a study within 1 year of enactment on the feasibility of creating an international highly erodible land protection policy whereby participating countries would agree to keep virgin HEL out of production and return some HEL in crops now to a conservation reserve with adequate conservation protection.

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

(161) A National Ground Water and Wetlands Protection Strategy (S 1291)

The Senate bill establishes a Sense of Congress that states the upcoming reauthorization of the Clean Water Act shall prevent wetlands loss and ground water contamination, and that Congress should provide for consistent and understandable wetland regulations and in general strengthen the Nation's ground water and wetlands protection laws.

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

(162) Natural Resource Loan Program

The House amendment directs the Secretary to establish a natural resources loan program to encourage the alleviation of natural resource conservation problems that reduce the productive capacity of the Nation's land and water resources or that cause degradation of environmental quality.

The Senate bill has no comparable provision.

The Conference substitute deletes the House provision.

(163) Soil and Water Activities

The House amendment establishes that an additional purpose of the Secretary is to aid in protecting and improving the quality of water. The Secretary shall, when reviewing conservation plans for compliance certification, determine the impact that such plans may have on agriculture and water quality planning and to complete this determination by January 1, 2000. The Secretary, through the Chief of the Soil Conservation Service, shall determine within six months after the date of the enactment of this Act whether the natural resources inventory can be modified to acquire useful information on water conditions and surface conditions that affect water quality and supply.

The Senate bill has no comparable provision.

The Conference substitute deletes the House provision.

(164) Cost Sharing for Soil Enhancement

The House amendment expands the authority of the Secretary to provide financial assistance to agricultural producers for carrying out other measures that enhance soil fertility and physical characteristics of the soil.

The amendment also provides that the Secretary may enter into agreements with producers on farms to provide 50 percent cost-sharing assistance for the costs of establishing short-term stands of soil-building legumes and legume-grass mixtures on harvested or reduced acres when applying a resource-conserving crop rotation, except when planted on acres on which farm program payments are received. Various terms are defined. Producers are not ineligible for this assistance solely because they plant on land eroding at rates less than the tolerable rate, and authorizes assistance to be denied if the presence of soil nitrates resulting from the planting of the legume will result in excessive leaching of nitrates into groundwater. Herbicide purchases and applications shall be ineligible for assistance under this subsection.

The Senate bill has no comparable provision.

The Conference substitute deletes the House amendment.

(164) Outreach to Socially Disadvantaged Farmers

The Senate bill directs the Secretary to provide outreach and technical assistance to farmers meeting the socially disadvantaged criteria described in section 8(a)(5) of the Small Business Act (15 U.S.C. 637(a)(5)). Such assistance is to help such persons participate in all of the programs established under this title. This assistance may include grants and work with the 1890 colleges. The Director of the Office of Advocacy and Enterprise of the Small Business Administration is to prepare a report for Congress on the rate of minority participation in each program established under this title.

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision. The Managers note that the minority farmers provisions in the Miscellaneous title of this Act establishes minority outreach and assistance similar to that provided in this section of the Senate bill.

TITLE XV—AGRICULTURAL TRADE

Subtitle A—Agricultural Trade Development and Assistance Act of 1954

(1) Amendments

The Senate bill amends the Agricultural Trade Development and Assistance Act of 1954 (commonly referred to as P.L. 480) by replacing it with new text. (Section numbers below referencing the Senate bill and the conference substitute refer to the sections of that Act as amended.)

The House amendment amends various provisions of the Agricultural Trade Development and Assistance Act of 1954.

The conference substitute adopts the Senate position.

(2) Short title

The Senate bill provides that the short title is "The Agricultural Development and Trade Act of 1990". [Section 1101]

The House amendment does not provide a short title for the title but provides that subtitle A of title XII, which amends various provisions of the Agricultural Trade Development and Assistance Act of 1954, may be cited as the "Mickey Leland Food for Peace Act". [Section 1201]

The conference substitute provides that the short title for Title XV of this Act is the "Agricultural Development and Trade Act of 1990" and that the short title of subtitle A is the "Mickey Leland Food for Peace Act". [Sections 1511 and 1501]

(3) Policy

The Senate bill provides that:

It is the policy of the United States to use its abundant agricultural productivity to promote the foreign policy of the United States by enhancing the food security of the developing world through the use of such productivity to—

(1) combat world hunger, malnutrition and their causes;

(2) promote broad-based and sustainable economic development;

(3) expand international trade;

(4) develop and expand export markets for U.S. agricultural commodities;

(5) encourage the development of private enterprise and democratic participation; and

(6) use foreign currencies accruing under this Act to implement the policy objectives described in this section. [Section 2]

The House amendment is the same as the Senate provision except that it does not include subsection (6) concerning use of local currencies. [Section 1204]

The conference substitute adopts the House provision. [Section 2]

(4) Global food aid needs

The Senate bill states that pursuant to the principal findings of the National Academy of Sciences, doubling food aid above present levels of about 10 million tons per year would be necessary to meet projected global food needs throughout the 1990s, and that the President should increase U.S. food contributions and encourage other donor or advanced countries to do likewise. [Section 3]

The House amendment is similar to the Senate provision. [Section 1205]

The conference substitute adopts the Senate provision with an amendment specifying "1990" instead of "present" food aid levels. [Section 3]

(5) Human rights

The Senate bill prohibits assistance under this Act to countries which engage in a consistent pattern of human rights abuse, with a waiver if food assistance is provided to the most needy people in a country and is made available through non-governmental channels. [Section 102]

The House amendment makes technical changes to current law. [Section 1208(j)]

The conference substitute adopts the Senate provision. [Section 403(j)]

(6) Delegation of authorities.

The Senate bill directs the President to carry out, through the Agency for International Development, a program of grant food assistance to least developed countries, and through the Secretary of Agriculture, to offer agricultural commodities for sale on credit to developing countries. [Section 101]

The House amendment directs the President to designate the Secretary of Agriculture as the official with primary responsibility for administering the concessional sales program and to designate the Administrator of the Agency for International Development as the official with primary responsibility for administering grant assistance programs under title II and title III. [Section 1209(n)]

The conference substitute requires the President: (1) to establish a concessional credit sales program under title I, which shall be implemented by the Secretary of Agriculture [section 101]; (2) to establish a donation program through governments and public and private agencies under title II, which shall be implemented by the Administrator of the Agency for International Development (AID) [section 201] and (3) to establish a program for donations to least developed countries under title III, which shall be implemented by the AID Administrator. [Section 301]

It is the intent of the Managers to provide clear lines of authority to the Secretary for the title I concessional sales program and to the Administrator for the title II and III grant programs and to reduce the amount of interagency involvement in operational decisions which occur after country-level allocations of food aid are made. By fixing responsibility—making sure that someone is in charge—the Managers intend to enhance program focus, effectiveness and responsibility.

(7) Eligible countries

The Senate bill defines a "least developed country" eligible to participate in the grant program as one which meets poverty criteria as set forth in the World Bank Civil Works Preference list, or that the Administrator determines (using the best available information) is a food deficit country characterized by high levels of malnutrition among significant numbers of its population. including, a daily per capita calorie consumption of less than 2300 calories. an under-five child mortality rate in excess of 100 per 1000 births; and an inability to meet its food security requirements through domestic production or imports due to a shortage of foreign exchange earnings. [Section 102 (a) and (c)]

The House amendment is similar to the Senate provision, except that the President is required to take into account whether the country meets the calorie, under-five mortality rate and food security requirements in determining whether a country is a food deficit country. [Section 1208]

The conference substitute requires the Administrator to determine that a country meets the calorie, under-five mortality rate and food security requirements to be found in a food deficit country.

In dropping the reference to "best available information" in the Senate bill, the conference managers recognize that because calorie and child mortality data may be inaccurate, out of date, or unavailable, the Administrator may be required to use his judgement and the judgement of experts in determining that a country meets the criteria. [Section 302]

(8) Allocation priority for bilateral grant program

The Senate bill provides that in the allocation of grant assistance the Administrator is to give priority to least developed countries that demonstrate the greatest need for food, have a capacity to use food assistance effectively, and are willing to adopt policies to promote food security, including policies to reduce hunger and nutrition. [Section 103(b)(2)]

The House amendment is the same as the Senate provision, with the addition of language directing that priority also be given to countries that have a long-term plan for broad-based, equitable, and sustainable development. [Section 1208]

The conference substitute adopts the House provision. [Section 302(c)]

(9) Multi-year agreements

The Senate bill mandates, subject to a waiver, that the Administrator or the Secretary shall enter into multi-year agreements to make agricultural commodities available to eligible countries. Multi-year agreements must include a number of specified terms, including plans for encouraging private sector participation in agricultural distribution, and a statement of how commodities will be integrated into the overall development plans of a country. [Sections 103, 108, and 202]

The House amendment provides that agricultural commodities provided under this Act be made available on a multi-year basis, subject to the availability of commodities and funding, unless: (l) a country's past performance does not warrant a multi-year agreement; (2) it is anticipated that the need of a country for assistance does not extend beyond one year; or (3) other circumstances indicate there is only a need for a one-year agreement. [Section 1209(j)]

The conference substitute provides that agreements under this Act shall be on a multi-year basis, unless the past performance of a country is not satisfactory, a country's anticipated food needs do not justify a multi-year agreement, or other circumstances indicate a need for only a one year agreement. The managers intend that other circumstances may include a recipient country's desire for a one-year agreement.

In addition, the substitute provides that agreements include: an estimate of annual value or volume of commodities proposed to be available to a country or organization; and a statement that such agreement is subject to the availability of funds and commodities each fiscal year. For title I and III agreements, a statement is also required concerning how the commodities provided or the revenues generated by their sale will be integrated into a country's overall development plans; and how private sector participation in storage, marketing, transportation and distribution will be encouraged. Authority is also provided to terminate, or refuse to enter into, a multi-year agreement if the country is not fulfilling the objectives or requirements of the Act.

The conference substitute also provides that before entering into title I or title III agreements, consideration shall be given to the extent to which the recipient country is undertaking measures for economic development purposes in order to improve food security and agricultural development, alleviate poverty, and promote broad-based, equitable, and sustainable development. [Section 404]

(10) Transportation

The Senate bill requires the AID Administrator to transfer, arrange for transportation, and take other steps necessary to make commodities available to recipient countries under the government-to-government grant program. It mandates that only the Administrator may serve as purchasing or shipping agent, permits the Administrator to establish reasonable fees for such services, and permits the Administrator to award contracts for establishing freight agents to handle shipping for this section. [section 103(d)(1) & (2)]. It also requires the importing country to acquire commodities made available under the concessional sales program, requires the Secretary or the Commodity Credit Corporation to serve as the purchasing or shipping agent for the importing country, permits the Secretary or the CCC to establish reasonable fees for such services, and permits the Secretary or the CCC to award contracts for freight agents to act on their behalf. [Section 107(c) and 206(b)]

The Senate bill requires that the procurement of commodities and ocean transportation for concessional sales be on the basis of publicly advertised open bids. Commissions to selling agents or agents of purchasers or grantees are prohibited; all commissions or fees paid by the supplier of an agricultural commodity or of ocean transportation to any representative of an importer or importing country must be reported to USDA and USDA must provide an annual report to Congress; failure of a supplier to file a report or the filing of a false report will result in 5 years ineligibility; freight agents hired under this Act may not represent any supplier of commodities, freight or ancillary services or any foreign government while under contract with the U.S. government. [Section 110]

The House amendment retains current law providing the Commodity Credit Corporation discretionary authority to serve as purchasing or shipping agent.

It also sets out requirements for avoidance of conflict of interest by prohibiting a person from being an agent or other representative of the U.S. government, an importer, or an importing country during a fiscal year in which he acts as agent or other representative of a person engaged in providing ocean transportation or transportation related services; requires full and open competition for purchase of commodities and ocean transportation; and provides that the President may determine an appropriate ceiling for fees and commissions. [Section 1209(f)]

The House amendment maintains current law with regard to prohibitions on payment of commissions and changes the penalty for failure to report to not more than 5 years.

The conference substitute provides that the importing country shall acquire commodities under title I and the Administrator shall make commodities available under titles II and III. It modifies current law giving the Secretary or the CCC discretionary authority to serve as shipping agent for title I transactions. It adopts the House provision with regard to open bidding procedures and prohibitions on commissions. Also, see paragraph T-39 of this report for discussion of related conflict of interest provisions. [Section 407]

(11) Timing of shipments

The Senate bill requires the Administrator or the Secretary to consider time of harvest of any competing commodities in the recipient country and any other concerns determined appropriate in making determinations concerning the timing of transportation of commodities. [Sections 103(d)(3) and 107(d)]

The House amendment requires the President to consider the time of harvest of any competing commodities in the recipient country. [Section 1209(a)]

The conference substitute combines the Senate provisions in a single section. [Section 407(d)]

(12) Deadline for agreements

The Senate bill provides that, to the maximum extent practicable, agreements shall be entered into not later than November 30 of the year in which commodities are to be shipped. [Section 103(e)]

The House amendment provides a similar requirement, applicable to sales and grants, and provides an alternative deadline of 60 days after enactment of the Rural Development, Agriculture and Related Agencies Appropriations Act, if this date is later. [Section 1206(k)]

The conference substitute adopts the House provision. [Section 407(e)]

(13) Uses of donated commodities/local currency accounts

The Senate bill provides that donated agricultural commodities may be used: (1) for direct feeding programs, development of emergency food reserves, or distributed through normal commercial channels; or (2) sold by the recipient country or by the Administrator and the proceeds of such sale deposited in a separate account, which may be owned by the recipient country or by AID, and distributed in accordance with a local currency use agreement. Local currencies are to be used for economic development purposes, and a list of suggested uses is provided. [Sections 104 and 105]

The House amendment provides that donated commodities may be used: (1) for direct feeding programs, including child survival programs, or for the development of emergency food reserves; or (2) sold by the recipient country or the President, and the proceeds used for specific economic development purposes. Local currencies are to be deposited in a separate account, which may be owned by the recipient country or the United States. The requirement for a special account may be waived if the proceeds are to be used to promote policy reforms and if the President determines that there will be adequate accounting for the currencies. A list of suggested economic development purposes is provided. [Section 1208 (d), (e), and (f)]

The conference substitute provides that, to the extent determined appropriate by the Administrator, local currency proceeds shall be deposited in a separate account and disbursed in accordance with local currency agreements. To the extent that local currencies are to be used under section 306(a) for specific economic development purposes, the Administrator may determine that such proceeds need not be deposited into a separate account if amounts equivalent to such proceeds will be programmed for such purposes. [Section 305]

(14) Use of local currency proceeds of grant program

The Senate bill provides that local currencies generated from sales of donated commodities be used in the recipient country for economic development purposes, including a list of general categories of suggested purposes. It also provides that not less than 10 percent of local currencies in a separate account should be used to support indigenous PVOs. [Section 106]

The House amendment also provides that local currency proceeds from sales of donated commodities be used for specific economic development purposes, and includes a more detailed list of suggested purposes. It also provides that not less than 10 percent of the proceeds generated from the sales of donated commodities be used to support indigenous PVOs; directs the President to ensure that members of the Foreign Agricultural Service (FAS) are consulted regarding the uses of local currency in a country to which they are assigned; allows nongovernmental organizations to invest local currencies received and to use the interest that accrues for the purpose for which the assistance was provided to that organization without further congressional appropriation; and permits the use of local currencies in the recipient country in which they are generated to support educational institutions if those currencies are not needed for other economic development purposes. [Section 1208(f)]

The conference substitute adopts the House list of proposed economic development purposes, the Senate earmark for indigenous PVOs, the House provision on PVO investment of local currencies, and the House provision for support for educational institutions. In deleting the House provision for consultation with the Foreign Agricultural Service in the use of local currencies, the managers intend that to the extent possible such consultation should occur in order to take advantage of the knowledge of FAS representatives of agricultural development and private sector activities in such developing countries. [Section 306]

(15) Priorities for the concessional credit program

The Senate bill provides that priority under the concessional sales program is to be given to countries that demonstrate the greatest need for food; that are listed on the priority list established by the Secretary under title III of the Agricultural Trade Act of 1978; and that have the demonstrated potential to become commercial markets for competitively priced U.S. commodities. [Section 107 (a) and (b)]

The House amendment provides that priority under the concessional credit sales program is to be given to countries that demonstrate the greatest need for food and have the demonstrated potential to become commercial markets for competitively priced U.S. commodities. [Section 1206 (a) and (c)]

The conference substitute adopts the House provision. [Section 102(b)]

(16) Terms and conditions of sales

The Senate bill provides that loan repayments be made in dollars, except when the Secretary exercises his discretionary authority to permit a recipient country to make payments in local currencies, which may be used by the United States for certain specified activities. Concessional loan rates are to be determined by the Secretary, and the term of the loan is to be 10 to 20 years, and payments may be deferred for up to 7 years. [Section 108(a) through (d)]

The House amendment is similar to the Senate provision, except that a ceiling of 50 percent of the cost of borrowing to the United States at the time an agreement is entered into is placed on the allowable interest rate, the payment period may extend up to 40 years, and payments may be deferred for up to 2 years.

The House amendment also provides that agreements for concessional sales may include requirements for the programming of local currencies generated by the sale of the commodities in the recipient country. [Section 1206(e)]

The conference substitute provides for concessional loan rates and the grace period on repayment as defined in the Senate bill and establishes a repayment period of between 10 and 30 years. The conference managers expect that, in the case of sales for local currencies, repayment obligations may need to be stated in terms of dollars payable in local currencies at the exchange rate applicable at the time of each payment. The conference substitute does not contain a requirement for the programming of local currencies generated by the sale of the commodities in the recipient country. [Section 103]

(17) Delivery

The Senate bill provides that delivery of commodities for concessional sale shall be in accordance with the terms of the agreements and subject to the availability of commodities at the time delivery is to be made, as determined by the Secretary. [Section 108(f)]

The House amendment retains current law, providing that delivery must be within 10 years following the date of agreement and subject to the availability of commodities at the time of delivery. [Section 1206(d)]

The conference substitute provides that delivery of commodities for concessional sale shall be made in accordance with the terms of the agreement. [Section 103(e)]

(18) Self-help requirements

The House amendment requires that a proposed recipient country, to be eligible to enter into a concessional sales or grant food assistance agreement, must undertake self-help measures for economic development in order to improve food security and agricultural development, alleviate poverty, and promote broad-based, equitable, and sustainable development. [Section 1206(h)]

The Senate bill does not require "self-help" provisions as part of concessional sales or grant food assistance programs. It does, however, require (in section 103 (c) and 108 (e)) that the grant and loan agreements include a statement of the manner in which the food aid commodities or the revenues received for such commodities will be integrated into the development plans of the recipient country and a plan to encourage competitive private sector participation in the storage, marketing, transportation and distribution of the food aid commodities. In addition, grant agreements must also include a plan for the intended use of the proceeds generated from the sale within the country of the agricultural commodities provided under the agreement.

The conference substitute deletes the House provision. It does, however, include requirements in section 404 regarding integration of assistance into a recipient country's overall development plans and encouragement of competitive private sector participation in the handling of food aid commodities from the Senate bill.

(19) Uses of local currency repayments under concessional sales

The Senate bill authorizes the Secretary to permit repayment of concessional sales in local currencies, which shall be used for one or more of the following activities: trade development; agricultural business development loans; agricultural facilities loans; trade promotion; recipient country private sector agricultural trade development; research; and payments of U.S. obligations. Any U.S. government department or agency other than the Department of Agriculture using these currencies for an appropriated purpose must reimburse the Commodity Credit Corporation in a dollar equivalent amount. [Section 109]

The House amendment provides that in addition to the purposes specified in the Senate provision, local currency repayments may also be used for: agricultural development, acquisition of buildings for U.S. government use, acquisition of materials for libraries, scientific activities, and pest control programs. An appropriation is required for all these additional purposes except agricultural development. If the President determines that these local currencies are not needed for any of the listed activities, they may be used to support certain educational institutions. [Section 1206(c)]

The conference substitute provides that local currency repayments may be used for: trade development; agricultural development; agricultural business development loans, agricultural facilities loans; trade promotion; private sector agricultural trade development; research; and payment of U.S. obligations. The conference substitute exempts from the appropriation requirement local currencies used for any of these purposes except for payment of U.S. obligations. The conference managers intend that this exemption from the appropriation requirement will apply to use of these local currencies by the Agency for International Development for agricultural development and other activities relating to AID programs in developing countries. [Section 104]

(20) Value-added foods

The Senate bill provides that countries which are or have been recipients of value-added foods under title II should continue to receive assistance to combat hunger through the continued provision of such foods under the concessional sales program. It permits the Secretary to waive repayment for the value-added portion of the cost of commodities for countries which provide assurances and have a reasonable potential for transferring the benefits of such waiver to commercial purchases and individual recipients of such foods. [Section 111]

The House amendment retains current law, which is similar to the Senate provision except that the waiver may be made for countries which have a reasonable potential for transition to commercial purchase of such foods.

The conference substitute adopts the Senate provision. [Section 105]

(21) Use of Commodity Credit Corporation

The Senate bill requires that the Commodity Credit Corporation acquire or otherwise make available to the Administrator agricultural commodities as are determined under section 401 to be available, to carry out bilateral grant programs and title II programs, and that the CCC may finance the sale and export of agricultural commodities, from private or CCC stocks, as are determined under section 401 to be available, to carry out concessional sales programs. It also permits the CCC to make commodities available for concessional sales on a cost and freight basis, and gives the CCC authority, with respect to bilateral grant and title II programs, to pay for the cost of acquiring commodities; the costs of packaging and enrichment; the costs of handling commodities to delivery at U.S. ports; ocean freight charges from U.S. ports to designated ports of entry abroad; and costs of transporting commodities from

U.S. ports to designated points of entry abroad in the case of landlocked countries, closed ports, unavailability of carriers to specific countries, or cost or time savings which may be realized from using points of entry other than ports. [Sections 112 and 206]

The House bill retains CCC authorities in current law, and provides that the CCC subject to the approval of the Secretary, shall acquire commodities for grant programs under title II and title III. The Administrator may acquire commodities, as determined to be available under section 401, if commodities are not available through the CCC. [Section 1209(f]

The conference substitute provides that the CCC shall acquire and make available such commodities (as determined available under section 401 docket authorities) as necessary to carry out agreements under this Act. It amends the Senate provision regarding included expenses to permit such payments under all titles of this Act. [Section 406]

(22) Limitation on expenditures

The Senate bill provides that the total value of agreements for concessional sales and government to government grants not exceed $1.9 billion in any fiscal year. [Section 112(d)]

The House amendment repeals the ceiling on total fiscal year costs of concessional sales and government to government grant programs. [Section 1206(i)]

The conference substitute adopts the House position.

(23) Regulations

The Senate bill states that the Secretary or the Administrator, as appropriate, shall promulgate regulations implementing the concessional sales and government to government grant program. [Section 113]

The House amendment does not contain a comparable provision.

The conference substitute deletes the Senate provision.

(24) Purposes of title II assistance

The Senate bill provides general authority to carry out programs under title II to:

(1) address famine;

(2) combat malnutrition, especially in children and mothers;

(3) carry out activities that attempt to alleviate the causes of hunger, mortality and morbidity;

(4) promote economic and community development; and

(5) promote sound environmental practices. [Section 201]

The House amendment retains section 201 of current law, and makes that authority available notwithstanding provisions of any other law. Current law establishes a title II program to address famine; to combat malnutrition; to promote economic and community development; and for needy persons and nonprofit school lunch and preschool feeding programs outside the United States. [Section 1207(a)]

The conference substitute adopts the Senate provision, with the addition of specific reference to feeding programs. [Section 201]

(25) Provision of agricultural commodities

The Senate bill authorizes the Administrator to provide agricultural commodities to meet emergency food needs through governments and public or private agencies, including intergovernmental organizations such as the World Food Program and other multilateral organizations. Non-emergency assistance may be provided through private voluntary organizations (PVOs) and intergovernmental organizations such as the World Food Program (WFP). [Section 202]

The House amendment amends current law, which is similar to the authorities provided in the Senate bill, to provide authority to distribute food aid through "private" (rather than nonprofit) voluntary organizations, and to governments rather than "friendly" governments. [Section 1207(b)]

The conference substitute adopts the Senate provision, with an amendment providing that emergency assistance may be provided notwithstanding the provisions of any other act. [Section 202(a) and (b)]

(26) Support for PVOs and cooperatives

The Senate bill provides that not less than 2 percent of title II funds shall be made available to U.S. PVOs or cooperatives to assist them in expanding and establishing new title II programs and meeting administrative, management, personnel and internal transportation and distribution costs. The request for such funds shall include specific explanation of (1) the program costs to be offset by such funds; (2) the reason why such funds are needed to carry out the particular program; and (3) the degree to which such funds will improve the provision of food assistance to countries (particularly those in sub-Saharan Africa) suffering from acute long-term food shortages. [Section 202(f)]

The House amendment is similar to the Senate provision. Funding is defined as not less than $10 million and not more than $13.5 million of amounts available under title II for PVOs and cooperatives. The President must approve each request for funds. [Section 1207(d)]

The conference substitute adopts the House provision. It is the intent of the Managers that such funds be requested as part of the provided multiyear operational plan or amendment thereto. [Section 202(e)]

(27) Effective use of commodities

The Senate bill provides that to ensure that agricultural commodities made available under Title II are used effectively and in the areas of greatest need organizations or cooperatives through which such commodities are distributed shall—

(1) to the extent feasible, work with indigenous institutions and employ indigenous workers;

(2) assess and take into account nutritional and other needs of beneficiary groups;

(3) help such beneficiary groups design and carry out mutually acceptable projects;

(4) recommend to the Administrator methods of making assistance available that are the most appropriate for each local setting;

(5) supervise the distribution of commodities provided and the implementation of programs carried out under this title; and

(6) periodically evaluate the effectiveness of projects undertaken under this title. [Section 202(g)]

The House amendment retains current law, which provides that priority be given to the poorest regions of countries, and directs implementing organizations, to the extent feasible, to work with indigenous institutions and employ indigenous workers; to help beneficiary groups design and carry out mutually acceptable projects; to give priority to those suffering from malnutrition; to supervise food distribution and implementation of programs; and to give consideration to nutritional and development objectives in light of an assessment of recipients' needs.

The conference substitute adopts the Senate provision. [Section 202(f)]

(28) Priority for U.S. PVOs and cooperatives

The Senate bill provides that in carrying out Title II, the Administrator shall give priority to U.S. PVOs or cooperatives. [Section 202(h)]

The House amendment provides no comparable provision.

The conference substitute deletes the Senate provision.

(29) Labeling

The Senate bill provides that, to the extent practicable, Title II commodities are to be clearly identified as being furnished by the United States. [Section 202(i)]

The House amendment retains current law, which provides that to the extent practicable, commodities are to be clearly identified, in the language of the locality in which they are distributed, as being furnished by the United States.

The conference substitute adopts the House provision. [Section 202(g)]

(30) Value-added commodities

The Senate bill requires that 75 percent of the sub-minimum be made available as processed or fortified products or bagged commodities, defining those products to include processed milk, plant protein products, and fruit, nut, and vegetable products, and gives the Administrator the authority to waive this requirement upon determination that the programs under this title will not be best served by the enforcement of these requirements. [Section 204(b)]

The House amendment is similar to the Senate provision. It retains current law with regard to the 75 percent earmark, with an amendment clarifying the waiver language. Current law also requires the President to consider the nutritional assistance to recipients and benefits to the United States from distributing value-added commodities; the nutritional needs of proposed recipients; and cost effectiveness of providing such commodities, and the purposes of title II in ensuring that at least 75 percent of title II commodities distributed be value-added commodities. [Section 1207(a)]

The conference substitute adopts the Senate provision. [Section 204(b)]

(31) Food Aid Consultative Group

The Senate bill establishes a Food Aid Consultative Group to review the effectiveness of regulations and implementation of Title II generally. The Group is to be composed of the AID Administrator, the USDA Under Secretary for International Affairs and Commodity Programs, the AID Inspector General, a representative of each participating PVO and cooperative, and one representative each from African, Asian, and Latin American non-governmental organizations determined appropriate by the Administrator. The Administrator is required, in preparing regulations, handbooks, or guidelines implementing Title II, to provide them to the Group for review and comment. The Group is exempted from application of the Federal Advisory Committee Act. [Section 205]

The House amendment is similar to the Senate provision. It requires that authority for the Group terminate on December 31, 1995, includes as members the Administrators of the Foreign Agricultural Service and the Agricultural Stabilization and Conservation Service, and representatives from developing country NGOs, as determined appropriate by the President. The Group is not exempted from the Federal Advisory Committee Act. [Section 1207(f)]

The conference substitute adopts the Senate provision with regard to membership of the Food Aid Advisory Group and the exemption from application of the Federal Advisory Committee Act, except that it adopts the House language with regard to representation of developing country NGOs. The conference substitute also includes the House sunset provision. [Section 205]

(32) Maximum level of expenditures

The Senate bill limits title II programs to those requiring appropriation of no more than $1 billion, unless the President determines that a waiver is necessary to meet urgent humanitarian needs. [Section 207]

The House amendment retains current law, which is essentially the same as the Senate provision, with the addition of an authorization to purchase up to $7.5 million in foreign currencies accruing under title I. [Section 204]

The conference substitute adopts the Senate provision. [Section 206]

(33) Farmer-to-Farmer Program

The Senate bill authorizes the President to establish a farmer-to-farmer program to assist developing countries, middle income countries and newly emerging democracies. Authority to implement this provision is vested in the Administrator, in consultation with the Secretary. The section expands existing authority to include private agribusiness and non-profit farm organizations to the list of those whose services can be utilized under the program. It defines "emerging democracy" as a country that has recently begun the transformation of its system of government and "middle income country" as a country that has developed economically to the point where it does not receive bilateral economic assistance from the United States. It earmarks 0.1 percent of funds available each year for this Act to be used to carry out this provision in developing countries. [Section 209]

The House amendment amends current law with provisions similar to those in the Senate bill. It defines "emerging democracy" as a country that is taking steps toward political pluralism, economic reform, respect for internationally recognized human rights, and a willingness to build a friendly relationship with the United States. It also defines "middle income country" as a country which does not qualify for bilateral U.S. development assistance because its per capita income level exceeds the eligibility requirement of such assistance programs. It provides that not less than 0.2 percent of amounts available each fiscal year for this Act, in addition to any funds that may be specifically appropriated to carry out this section, be used to carry out programs under this section, with not less than 0.1 percent to be used for programs in developing countries. [Section 1209(e)]

The conference substitute is the same as the House provision, except that it includes the Senate definition of "middle income country". [Section 501]

(34) Food For Development/Food for Freedom/Food for Progress

The Senate bill deletes current Title III of P.L. 480 (Food for Development) and the Food for Progress Act of 1985. It establishes as Title III of P.L. 480 a new Food for Freedom program, which provides authority to assist developing countries, middle-income countries, and newly emerging democracies through government-to-government and PVO/cooperative agreements. Under the Food for Freedom program, the President is authorized to provide commodities to eligible countries to support (1) the democratization of the government of such countries (2) the granting of individual liberties to the people of such countries, and (3) the promotion of economic freedom within such countries. The bill provides an annual limitation on CCC expenditures of $50 million (exclusive of the cost of commodities). [Section 301]

The House amendment deletes current Title III of P.L. 480; the government-to-government grant program becomes the new Title III, which is still entitled "Food for Development." The amendment reauthorizes the Food for Progress Act of 1985, amending it to extend the authority of the Act to assist middle income countries and emerging democracies, and to provide assistance through PVOs, cooperatives, and non-profit agricultural organizations. It adds provisions regarding commodity transportation and prohibition on military handling or distribution of the commodities identical to provisions included as amendments to P.L. 480. It maintains the current limitation on CCC expenditures of $30 million (exclusive of the cost of commodities.) [Section 1214]

The conference substitute adopts the House provision. [Section 1516]

(35) Private market enhancement

The Senate bill authorizes the use of $20 million in CCC funds or commodities to enhance the development of private sector agriculture in middle income countries and emerging democracies. Agricultural commodities may be provided in a manner that uses the commodity transaction as a means of developing in the recipient countries a competitive private sector that can provide for the importation, transportation, storage, marketing and distribution of such commodities. This section also authorizes use of the local currencies generated by the sale of commodities provided under this title for the purposes of this section. [Section 302].

The House amendment does not contain a comparable provision.

The conference substitute adopts the Senate provision, except that available funding is $10 million, and developing countries are also eligible for assistance under this section. [Section 1516(m)]

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(36) Commodity determinations (docket authority)

The Senate bill requires the Secretary, after consultation with other federal agencies, and after considering productive capacity, domestic requirements, farm and consumer price levels, commercial exports, and adequate carryover, to determine, prior to the beginning of the fiscal year, the agricultural commodities and quantities available for disposition under this Act.

In establishing policies for implementing this bill, the President should attempt to maintain a stable level of available agricultural commodities needed to provide food assistance to developing countries and should attempt to make such commodities available to the degree necessary to fulfill multi-year agreements entered into under this Act.

The Secretary may suspend the eligibility of a commodity for disposition under this Act if such disposition would reduce the domestic supply of such commodity below that needed to meet domestic requirements, adequate carryover, and anticipated exports for dollars as determined by the Secretary at the time of exportation of such commodity. However, notwithstanding subsections (a) and (c), the Secretary may make Public Law 480 commodities available if he determines that some part of the supply of such commodity should be used to carry out urgent humanitarian purposes of this Act. [Section 401]

The House amendment modifies current law to require the Secretary to make commodity availability determinations prior to the beginning of each fiscal year and adds discretionary authority for the Secretary during the fiscal year to modify such determination if the Secretary provides prior notice to the Congress (including a statement of the reasons for the modification). It deletes authority to determine commodity availability for an individual country. In implementing the Act, the Secretary is directed, to the extent practicable, to seek to maintain a stable level of available agricultural commodities to provide assistance to developing countries and seek to make such commodities available to the degree necessary to fulfill multi-year agreements under the Act. [Section 1209(a)]

The conference substitute requires that prior to the beginning of the fiscal year and after consultation with other federal agencies, and after considering productive capacity, domestic requirements, farm and consumer price levels, commercial exports, and adequate carryover, the Secretary is to determine the agricultural commodities and quantities available for disposition under this Act. The Secretary may modify this determination after the beginning of the fiscal year only if the Secretary provides to the Congress prior notice of that modification. Such notice must include a statement of the reasons for the modification. No commodity shall be available if its disposition would reduce the domestic supply below that needed to meet domestic requirements, adequate carryover, and anticipated dollar exports as determined by the Secretary, unless the Secretary determines that some part of the supply should be used to carry out urgent humanitarian purposes under this Act. The Secretary is directed, to the extent practicable, to seek to maintain a stable level of commodities needed to provide food assistance to developing countries and should attempt to make such commodities available to the degree necessary to fulfill multi-year agreements under this Act. [Section 401]

The conference substitute makes an important improvement in the functioning of the docket, while maintaining the Secretary's responsibility for ensuring an adequate U.S. food supply. The Managers intend that the result of these changes will limit the frequency of commodity availability determinations. This will provide an important degree of certainty in the process, avoiding delays in programming and shipping and commodity switching.

In the unusual case when commodity availability changes, a mechanism is provided whereby the Secretary may, during the fiscal year, modify the determination made prior to the beginning of the fiscal year.

The Managers intend that the modification option be exercised only if there is a significant and unexpected change in the U.S. supply situation. The Managers believe that in most years not more than one docket determination should be necessary and stress that they intend that the modification mechanism be used sparingly.

(37) Definitions

The Senate bill provides that unless otherwise provided in this Act, "agricultural commodity" includes any agricultural commodity or the products thereof produced in the U.S., including wood and processed wood products, fish, and livestock as well as value-added, fortified, or high-value agricultural products.

"Administrator" means the Administrator of the Agency for International Development.

"Cooperative" means a private sector organization whose members own and control the organization and share in its services and its profits and that provides business services and outreach in cooperative development for its membership.

"Indigenous non-governmental organization" means a foreign organization that is not primarily an agency or instrumentality of a foreign government working at the local level to solve development problems in the foreign country in which it is located. "Private voluntary organization" means a nonprofit organization (a tax-exempt organization if such is a U.S. organization) that receives some portion of its annual revenue from the private sector and receives voluntary contributions of money.

"Secretary" means the Secretary of Agriculture. [Section 4]

The House amendment retains the definition of agricultural commodity in current law, amending it, for purposes of title II, to provide that a product of agricultural commodities shall not be considered to be produced in the United States if it contains any ingredient that is not produced in the United States if that ingredient is produced and is commercially available in the United States. "Administrator" refers to the AID Administrator unless otherwise specified. "Food security" means access by all people at all times to sufficient food and nutrition for a healthy and productive life. "Private voluntary organization" means a not-for profit, nongovernmental organization (in the case of a U.S. organization, an organization that is exempt from Federal income taxes under section SOl(c)(3) of the Internal Revenue Code of 1986) that receives funds from private sources, that receives voluntary contributions of money, staff time, or in-kind support from the public; and that is engaged in or is planning to engage in voluntary, charitable, or development assistance activities (other than religious activities). The House amendment defines cooperative, indigenous nongovernmental organization, and Secretary in the same manner as Senate bill. [Section 402]

The conference substitute adopts the Senate language for "agricultural commodity," with an amendment providing that effective October 1, 1991, for purposes of title II, a product of an agricultural commodity shall not be considered to be produced in the United States if it contains any ingredient that is not produced in the United States, if that ingredient is produced and is commercially available in the United States at fair and reasonable prices. This provision insures that ingredients will be treated equally with other components of title II processed foods, such as the basic agricultural commodity and packing materials which are now required to be of domestic origin. It clarifies the basic intent to use available domestic components when food is purchased for overseas humanitarian donation. The provision does, however, limit the use of domestically produced ingredients to those commercially available at fair and reasonable prices. It is intended that such price determinations will be made on the basis of domestic production considerations.

The conference substitute adopts the House definition of "food security". The managers note that the concept of food security rejects the outdated concept of "food self-sufficiency" whereby countries would try to produce all needed food domestically. It focuses instead on access to food, which includes the ability of a country to earn sufficient foreign exchange to import food.

The conference substitute also provides that "developing country" means a country that has a shortage of foreign exchange earnings and has difficulty meeting all of its food needs through commercial channels, as determined by the Secretary or the Administrator, as appropriate.

The conference substitute clarifies the definition of "indigenous nongovernmental organization" to mean an organization organized under the laws of the recipient country or having its principal place of activity in such country. [Section 402]

(38) General provisions

The Senate bill maintains the provision of current law regarding adequate storage of commodities in recipient countries, known as the "Bellmon amendment", to require that no commodities be made available under this Act unless the Secretary or Administrator, as appropriate, determines that adequate storage facilities which will be available at the time of arrival of the commodity and that the distribution of the commodity in the recipient country will not be a disincentive to domestic production. It adds a provision requiring the Secretary or the Administrator to consult with the International Monetary Fund, the World Bank and recipient countries to ensure that Public Law 480 commodities and local currencies for development purposes will not have a disruptive impact on farmers or the local economy of the recipient country. It makes discretionary the provision in current law prohibiting transshipment of P.L. 480 commodities from the recipient country. It includes several provisions from current law including: the use of private trade channels; the requirement to avoid disruption of world prices for agricultural commodities or of normal patterns of commercial trade; the requirement to publicize the fact that commodities purchased under P.L. 480 are provided through the friendship of the American people; the requirement to encourage U.S. and recipient country private sector participation; and the requirement to safeguard usual U.S. marketing. [Section 402]

The House amendment retains current law with regard to the Bellmon amendment; publicizing the source of P.L. 480 commodities; concerning efforts to increase effective demand and stimulation of economic growth in recipient countries; requiring that donations not displace sales of U.S. commodities; and efforts to assure that the United States obtain a fair share of any increase in commercial purchases of agricultural commodities by recipient countries; all applicable to titles I and III. It retains current law, applicable to title I, concerning convertibility requirements for local currency repayments; use of private trade channels; and giving priority to financing the sale of food and fiber commodities in the allocation of funds. It retains the provision of current law on safeguarding usual marketing, making it applicable to the entire act. [Sections 1206(b), 1208(g), and 1209(n)]

The conference substitute includes the requirement on adequate storage from the Senate bill; the transshipment prohibition, the provision on use of private trade channels; the provision on safeguarding world prices and normal commercial trade patterns; the publicity requirement; the private sector participation provision and the usual marketing safeguards provision, all from current law. The provision in the Senate bill requiring the Secretary or the Administrator, as appropriate, to consult with representatives of the IMF, the World Bank, and other donor organizations is retained with slight modifications. All these provisions are applicable to the entire Act. [Section 403]

The managers are concerned about reports that U.S. food aid has undermined domestic agricultural production in some recipient countries. For example, in El Salvador, shipments of nonfat dried milk exceeded the amount of domestic consumption, causing domestic milk prices to decline and domestic production to plummet. The managers believe that the executive branch needs to update and formalize the process by which a determination is made to assure that food aid does not create disincentives to agricultural production in the recipient country. Specifically, the so-called "Bellmon" determination should include measurement of the impact of P.L. 480 commodities on the same and cross commodity production and should evaluate the impact on producer prices and income. The managers intend that the methodology used to make these determinations be continually updated and that periodic validations be conducted after food aid is received to evaluate the conclusions of the Bellmon determination. The managers affirm the vital importance of these studies and expect the executive branch to give serious consideration to previous and on-going determinations before entering into new P.L. 480 agreements.

(39) Ocean transportation services

The Senate bill provides that notwithstanding any provision of the Federal Property Act of 1949, the Agency for International Development may procure ocean transportation services for bilateral grant and Title II programs under full and open competitive procedures as determined by the Agency. [Section 402(j)]

The House amendment provides that a person may not be an agent, broker, consultant, or other representative of the U.S. Government, an importer, or an importing country in connection with agricultural commodities provided under this Act during a fiscal year in which such person acts in a similar capacity for a person engaged in providing ocean transportation or transportation-related services for such commodities. It also provides for full and open competition for the purchase of ocean transportation services financed under this Act and prohibits payment of fees to an agent, broker, consultant, or other representative of the importer or importing country for ocean transportation brokerage services under this Act in excess of an amount determined appropriate by the President. [Section 1209(f)]

The conference substitute adopts both provisions, with an amendment clarifying that the requirement for full and open competition applies to purchase of commodities by the Federal Government under titles II and III of this Act. Prohibitions on conflict of interest in this section, as well as corresponding amendments to section 416(b) of the Agricultural Act of 1949 and the Food for Progress Act of 1985, are not intended to preclude the payment by ocean carriers of compensation or brokerage fees on a shipment-by-shipment basis as provided in governing tariffs or charter parties to persons performing freight forwarding or charter brokering services for these programs under contract to the U.S. Government. Such persons award ocean transportation contracts under the direct supervision of contracting officers or their representatives. These payments shall not be deemed per se to give rise to prohibited conflicts of interest under the cited provisions. [Section 407]

(40) Debt forgiveness

The Senate bill authorizes the President to forgive Public Law 480 debt of least developed countries eligible for grant assistance under Section 103 that have in effect: (1) an IMF standby agreement; (2) a World Bank structural adjustment program; (3) an IMF structural adjustment facility or enhanced structural adjustment facility; or (4) if such an agreement, program or facility is not in effect, the country is pursuing market-oriented, and long term economic development. The President may only provide debt relief if a request therefore is included in the President's annual budget submission to the Congress or is transmitted to the appropriate Congressional committees within three months after the President's budget submission. Debt may be forgiven only in amounts as provided in advance in appropriations acts. No concessional sales agreements shall be concluded under this Act for two years after a country has received debt relief under this section. [Section 403]

The House amendment provides a similar provision which amends Title I to provide that the President may forgive P.L. 480 debt, with respect to credit sales agreements entered into before or after the enactment of the Food and Agricultural Resources Act of 1990, to countries defined as least developed under this Act or which have a per capita external debt greater than $1500, and which meet the other criteria in the Senate bill. No concessional sales agreements shall be concluded under this Act for two years after a country has received debt relief under this section without written presidential justification. [Section 1206(d)]

The conference substitute adopts the House provision, except that it deletes the reference to the $1500 per capita external debt criterion. [Section 414]

(41) Sec. 1833. Debt for agricultural development exchanges

The House amendment provides for "debt for agricultural development exchanges, authorizing the Secretary of Agriculture to award grants to U.S. non-governmental organizations, for the purchase on the secondary market of discounted commercial foreign debt of a foreign government to be canceled under the terms of an agreement with that government as part of a debt for agricultural development exchange to carry out projects of mutual benefit to the agricultural sector of the United States and the recipient country. The Secretary is also required to identify those areas which, because of their imminent threat to agriculture, are in particular need of attention to promote the control of plant and animal diseases in the Western Hemisphere. [Section 1833]

The Senate bill has no comparable provision.

The conference substitute provides for "debt for health and protection swaps", authorizing the Secretary of Agriculture to award grants to U.S. and foreign non-governmental organizations, including colleges and universities, for the purchase on the secondary market of discounted foreign commercial debt to be cancelled as part of an agreement that the recipient government provide local currencies to the grantee to carry out projects involving the research, study, prevention, or control of animal and plant pests and diseases in the country, or that government's agreement to take specific action to carry out animal and plant pest and disease control programs in that country. The Secretary is required to ensure that swaps under this section are designed to be of mutual benefit to the agricultural sector of the United States and recipient country. Projects facilitated under this provision could include research and study exchanges; collaborative linkages and training for developing country professionals; programs on the African honey bee and on screwworm fly research in Mexico and Central America; control of babesiosis, Texas fever in cattle and scrapies; and control of plant diseases such as carnal bunt on wheat and spittle bug pest on grasses. [Section 1517]

The managers direct the Secretary to consult with the AID Administrator before undertaking a debt exchange under this section in a developing country receiving assistance from AID.

(42) Sec. 105A. Debt-for-nature and Debt for development and Agricultural swaps for Latin America and the Caribbean; Enterprise for the Americas facility

The House amendment provides for debt-for-nature swaps as well as debt for development and agricultural swaps for Latin America and the Caribbean. Both provisions give authority to the President to reduce an eligible country's P.L. 480 debt in exchange for agreement to make available resources to be used for environmental, agricultural development and poverty reduction purposes. [Section 1206(d)]

The Senate bill has no comparable provision.

The conference substitute establishes the Enterprise for the Americas Facility (the "Facility") in the Department of the Treasury. It provides that the purpose of the Enterprise for the Americas Initiative is to encourage and support improvement in the lives of the people of Latin America and the Caribbean through market-oriented reforms and economic growth with inter-related actions to promote debt reduction, investment reforms, and community-based conservation and sustainable use of the environment. [Sections 601 and 602]

To be eligible, a country must: (1) be a Latin American or Caribbean country; (2) have in effect, or have received approval for, or, as appropriate in exceptional circumstances, be making significant progress toward an IMF standby arrangement, extended Fund arrangement, or an arrangement under the structural adjustment facility or enhanced structural adjustment facility, or in exceptional circumstances, a Fund monitored program or its equivalent; and as appropriate, structural or sectoral adjustment loans from the IBRD or IDA; (3) have put in place major investment reforms in conjunction with an InterAmerican Development Bank loan or otherwise be implementing or making significant progress toward an open investment regime; and (4) if appropriate, have agreed with its commercial bank lenders on a satisfactory financing program, including, as appropriate, debt or debt service reduction. The President shall determine eligibility. [Section 603]

The managers are very concerned that World Bank and IMF structural adjustment programs can have significant adverse impacts on the poor and the environment. Thus, the "in exceptional circumstances, be making significant progress towards" formulation cited above provides important flexibility with respect to economic conditionality requirements. If a country has not yet met these requirements, the U.S. shall consider potential environmental and social impacts in determining whether to invoke this flexibility. These conditionality requirements are designed to give flexibility where evidence exists that a proposed World Bank or IMF adjustment program has significant adverse social or environmental impacts.

The Congress addressed these concerns last year in Title V of the International Development and Finance Act, which requires the U.S. Treasury to advocate that multilateral development banks address the social impacts of structural adjustment and develop environmental assessment procedures. The Congress expects that these issues will be addressed in future adjustment negotiations. In addition, it expects that environmental assessments will be carried out for economic adjustment programs.

The managers believe that an integral part of investment reform must be the development of host country capacities for regulation and oversight of the environmental impact of investment. Since investment reform is a basic part of this debt initiative the Managers expect the Treasury to work in concert with the United States Environmental Protection Agency and the Inter-American Development Bank to provide technical assistance to host countries to develop appropriate environmental standards and regulations. Local nongovernmental organizations should be provided assistance in developing the capacity to do research, monitoring and education relating to the environmental impacts of private investment activities.

The conference managers expect that the requirement conditioning eligibility on the establishment of a satisfactory commercial bank financing program will apply only to countries whose commercial debt obligations exceed their official debt obligations.

Authority is provided to the President to forgive P.L. 480 debt to an eligible country to the extent provided for in appropriations Acts. The conference managers expect the President to consult with the Secretary of Agriculture in all decisions to reduce P.L. 480 debt under this provision. [Section 604(a)]

The managers are concerned about the effect of debt servicing obligations on Latin countries' ability to invest in their own development. The managers recognize the difficulties in fashioning a more comprehensive approach to official and commercial debt relief. While the debt-reducing options prescribed by the "Brady Plan" are a step in the right direction for reducing some of the foreign commercial debts of the region, other options also need to be considered in order to achieve true debt relief and to give Latin countries enough breathing space to achieve much needed economic growth. The managers hope, however, that for countries with significant official debt and high debt service ratios, the official debt reduction authorized by this section will include a reduction, to the extent possible, of a country's debt service burden to a level which will allow the country to invest in its own development.

The conference substitute provides that new obligations issued are to bear interest at a concessional rate. If the country has entered into an Environmental Framework Agreement described below, interest shall be paid in local currency into an Environmental Fund, and shall be the property of the eligible country until it is disbursed pursuant to an Environmental Framework Agreement. If a country has not entered into an Environmental Framework Agreement, interest is to be paid in dollars and deposited in the Commodity Credit Corporation or other appropriate U.S. government account. If a country suspends local currency payments, interest payments are to be made in dollars to the U.S. government account. [Sections 604(c), 605 and 606]

Countries which enter into an Environmental Framework Agreement are required to establish an Enterprise for the Americas Environmental Fund to receive local currency payments. Deposits in such a fund shall be invested until disbursed and any return on such investment may be retained by the Environmental Fund. This requirement is not intended to affect the ability of local bodies administering funds to draw on either principal or interest in the disbursement of Funds. Funds in an Environmental Fund shall be disbursed only pursuant to an Environmental Framework Agreement. [Section 608]

The President is authorized to enter into an environmental framework agreement with each eligible country establishing an Environmental Fund. The managers expect that these provisions will include a process whereby the U.S. government can prevent disbursements from the Fund if the operations of the Fund or of the local body are not in keeping with the terms of the agreement. Funds disbursed from an Environmental Fund are to be administered by a local body constituted under the laws of that country, which shall include representatives nominated by the United States, by the country, and individuals who represent a broad range of nongovernmental environmental, and local community development organizations and scientific or academic organizations or institutions of the recipient country. The framework agreements should outline a process for selecting a different local body if the original body does not fulfill its responsibilities. The local body is to receive proposals for grant assistance from eligible grant recipients and to make grants to such recipients in accordance with priorities agreed upon in the Environmental Framework Agreement, oversee the activities funded, be subject to annual, independent fiscal adults, present an annual program to the Environment for the Americas Board, and submit an annual report on the previous year's activities. The annual program is submitted only for review purposes, not for approval. The managers expect that the local body shall remain a foundation-type mechanism for allocating grants, but should not itself implement programs and activities. The managers expect that efforts will be made to prevent conflicts of interest in the allocation of grants to organizations which are represented on a local body. [Sections 609 and 610]

Eligible activities that may be funded by an Environmental Fund include those activities specified in the Global Environmental Protection Assistance Act of 1989 as follows:

(1) restoration, protection, or sustainable use of the world's oceans and atmosphere;

(2) restoration, protection, or sustainable use of diverse animal and plant species;

(3) establishment, restoration, protection, and maintenance of parks and reserves;

(4) development and implementation of sound systems of natural resource management;

(5) development and support of local conservation programs, including infrastructure and institutional support to governmental and non-governmental environmental ministries, institutions, and private groups;

(6) training programs to strengthen conservation institutions and increase scientific, technical, and managerial capabilities of individuals and organizations involved in conservation efforts;

(7) efforts to generate knowledge, increase understanding, and enhance public commitment to conservation;

(8) design and implementation of sound programs of land and ecosystem management; and

(9) promotion of regenerative approaches in farming, forestry, fishing, and watershed management.

Also eligible are agricultural related activities that benefit the environment including water quality, and activities that provide for the biological prevention and control of animal and plant pests and disease, and local community initiatives which promote conservation and sustainable use of the environment. All activities are, where appropriate, to include initiatives which link conservation of natural resources with local community development. Organizations eligible to receive grants from an Environmental Fund include nongovernmental environmental, community development, conservation, development, and indigenous peoples organizations of the country; other appropriate local or regional entities; and in exceptional circumstances, the government of the beneficiary country. [Section 612]

The conference substitute also provides for the establishment of an Environment for the Americas Board, to consist of 5 U.S. government representatives and 4 representatives from nongovernmental environmental, scientific, and academic organizations with experience and expertise in Latin America and the Caribbean. The Board is to be selected by the President and chaired by the representative of a U.S. government agency. Its responsibilities are: (1) to advise the President on negotiations for environmental framework agreements; (2) to ensure that suitable local bodies are established; and (3) to review the activities of local bodies. The managers expect that the chair of the Board will be a representative from the Department of the Treasury and that a representative from the Inter-American Foundation will be one of the U.S. government representatives. The managers expect close coordination of financial activities with the overall country development plans and activities of AID. The responsibility of the Board to insure that suitable local bodies are identified will be a crucial element for this Initiative. The nature and composition of the local bodies, the involvement of a wide range of legitimate nongovernmental organizations in it, and the administration of resources, will be a key ingredient for the success or failure of the entire process. [Section 610]

The conference substitute also allows the President to designate appropriate U.S. agencies to review program performance and provide fiscal audits. Such oversight does not constitute active management of the Environmental Funds. [Section 611]

The conference substitute directs the President to actively encourage other official creditors of eligible countries to provide debt reduction and to attempt to insure that Environmental Funds established are eligible to receive donations from private and public entities, and private creditors of the eligible countries. The President is also required to submit an annual report to the Congress on the operation of the Facility. [Section 613]

(43) Independent evaluation of programs

The Senate bill requires not later than 2 years after enactment of this Act and once every 3 years thereafter, independent evaluations by the Comptroller General of the government-to-government grant, concessional sales and Title II programs in representative countries. The Comptroller General shall submit a report to the appropriate Congressional Committees concerning the evaluations made under this section. [Section 406]

The House amendment requires not later than 2 years after enactment of this act and 2 years thereafter, independent evaluations by the Comptroller General of titles I, II, and III programs in representative countries and a report submitted to the appropriate Congressional Committees. [Section 1212]

The conference substitute adopts the House provision. [Section 410]

(44) Authorization of appropriations

The Senate bill provides that not less than 40% of amounts available for Title I may be used to carry out sales programs and not less than 40% may be available for grant program. [Section 407]

The House amendment provides that the amount of funds made available to carry out the title I concessional sales program shall not be more than twice the amount made available to carry out the title III grant program and that the amount of funds available to carry the title III grant program shall not be more than twice the amount available to carry out the title I concessional sales program. It also amends the provision authorizing transfer between titles to require that any transfers must respect the 1/3, 2/3 ratio. [Section 1209(c) and (d)]

The conference substitute adopts the Senate provision and the House amendment to the transfer authority. [Section 412]

(45) Coordination of Public Law 480 with foreign assistance programs

The Senate bill requires that the Committees on Agriculture, Foreign Affairs, and Appropriations of the House and Senate be notified at least 15 days prior to: (1) entering into any agreement under this Act (including any local currency agreement); (2) adopting any amendment to an agreement that would increase the amount of assistance or change the purpose of that agreement; or (3) waiving any payments under section 403. [Section 408]

The House amendment requires that, to the maximum extent possible, assistance under this Act be coordinated and integrated with US. development assistance objectives and programs and with the overall development strategy of a country. Special emphasis should be placed on activities that will increase the nutritional impact of programs of assistance under this Act and child survival programs and projects, in least developed countries. [Section 1209(d)]

The conference substitute adopts the House provision. [Section 413]

(46) Annual Reports

The House amendment amends current law to require the President to prepare an annual report, which shall include: the levels and recipients of food assistance; the countries in which activities are implemented; a general description of the projects implemented and a statement of the amount of each agricultural commodity made available pursuant to Section 416(b) of the Agricultural Act of 1949 and the Food for Progress Act of 1985. It retains provisions of current law requiring a global assessment of food production and needs, a status report on planned programming of food assistance and cross-country evaluations. It also requires quarterly reports on anticipated agreements; requires current year reports on agreements signed by June 1 specifying the quantities provided through various organizations and the type and quantity of each commodity; requires an annual report on Title II foreign currency proceeds; and requires an annual report on October 16 of each year, World Food Day, by the Secretary and the Administrator assessing progress towards food security in each country receiving assistance under this Act. [Section 1208(g)]

The Senate bill provides no comparable provision.

The conference substitute requires submission of an annual report on levels and recipients of food assistance, including a general description of projects or activities implemented and local currency funded activities, and a statement of assistance made available under section 416(b) of the Agricultural Act of 1949 and the Food for Progress Act of 1985. This report should include the total amount of food aid from all U.S. sources to each recipient country. The conference substitute also requires a separate World Food Day report to be submitted annually on October 16. [Section 407(g) and (h)]

(47) Use of Local Currencies for Abortions

The House amendment provides that local currencies that are made available for use under this Act may not be used to pay for abortions as a method of family planning or to motivate or coerce any person to practice abortions. [Section 1209(m)]

The Senate bill provides no comparable provision.

The conference substitute adopts the House provision. [Section 403(k)]

(48) Cooperation between agencies

The House amendment requires: that the Secretary is responsible for ensuring that the Department of Agriculture, in carrying out its responsibilities under Title I, cooperate with the Agency for International Development with respect to the latter's area of expertise; that the Administrator is responsible for ensuring that the Agency for International Development, in carrying out its responsibilities under Title II and Title III, cooperate with the Department of Agriculture with respect to the latter's areas of expertise; establishes procedures for AID and the Department of Agriculture to consult on and review proposed agreements; and requires the Secretary and the Administrator to consult with the Secretary of State to ensure that agreements are not inconsistent with U.S. foreign policy. [Section 1209(n)]

The Senate bill provides no comparable provision.

The conference substitute provides that the Secretary of Agriculture and the AID Administrator shall cooperate and consult in carrying out the provisions of this Act. The managers expect that the level of cooperation can be maintained while the amount of interagency involvement in day to day discussions can be substantially reduced. This cooperation and consultation will enable the Department and the Agency to take advantage of each other's areas of expertise and to avoid contradictions with on-going programs of each agency.

The managers believe that the reference in section 2 to using food assistance to promote the foreign policy of the United States by enhancing the food security of the developing world is sufficient to ensure that activities implemented under this Act will not be inconsistent with U.S. foreign policy. [Section 405]

(49) Food for Peace Officers

The House amendment requires that the Administrator increase the number and expertise of the personnel of the Agency for International Development at agency headquarters and abroad who are responsible for implementation of P.L. 480 activities. [Section 1210]

The Senate bill provides no comparable provision.

The conference substitute deletes the House amendment. The managers suggest that the Agency for International Development, within the constraints of available funding, should increase the expertise of personnel at the agency's headquarters and field missions, who design and carry out the programs for which it is responsible under this Act, in order to increase the number and effectiveness of the implementation of food assistance programs for which it is responsible under this Act.

(50) Assistance in Furtherance of Narcotics Control Objectives of the United States

The Senate bill authorizes the President, through the Administrator to provide assistance under this Act, notwithstanding any other provision of law, for economic development activities undertaken in an eligible country that is a major illicit drug producing country. Such assistance should reduce the dependence of the economy of such country on the production of crops from which narcotic and psychotropic drugs are derived. [Section 409]

The House amendment provides that local currencies available under this Act may not be used to finance the production for export of agricultural commodities (or products thereof) that would compete in world markets with similar U.S. products of commodities if such competition would cause substantial injury to U.S. producers. It also provides waiver authority for use of such currencies for crop substitution or other alternative development activities undertaken in furtherance of narcotics control objectives. [Section 1209(1)]

The conference substitute adopts the House limitations on uses of local currencies and provides that the President, notwithstanding those limitations, may provide assistance for economic development in major illicit drug producing countries to reduce the dependence of the economy of such country on crops from which narcotic and psychotropic drugs are derived. This provision retains restrictions on the use of local currencies for activities which would cause substantial injury to U.S. producers, while making a limited exception for activities in major illicit drug producing countries. The managers intend that this amendment will, in limited circumstances, permit the use of local currencies generated under P.L. 480 to finance local development projects which will assist participating countries to reduce their reliance on the production of illicit narcotics. [Section 414]

(51) Development of new regulations: effective date

The Senate bill requires the Administrator to promulgate proposed regulations for title II within 120 days of enactment of amendments to that title. Promulgate final regulations implementing such amendments within 210 days, and to issue revised agency guidelines implementing such amendments within 210 days of enactment. [Section 1112]

The House amendment requires the President to provide for the issuance of regulations to revise existing regulations to implement the Agricultural Trade Development and Assistance Act of 1954. The regulations shall be issued in proposed form no later than 6 months after the date of enactment of this Act and form no later than one year after the date of enactment of this Act. [Section 1211]

The conference substitute provides that the Agricultural Trade Development and Assistance Act of 1954, as amended by this Act, shall take effect on January 1, 1991. (The Food for Progress Act of 1985 as amended is effective upon enactment of this Act.) The conference substitute provides that food assistance agreement entered into prior to January 1, 1991 shall remain subject, for the duration of such agreements, to applicable provisions of the law in effect prior to such date. The conference substitute requires promulgation of regulations implementing this Act within 180 days of date of enactment. [Section 409 and 1513]

(52) Amendment to section 416(b)

The Senate bill amends section 416(b) of the Agricultural Act of 1949 to provide that surplus CCC-owned commodities are to be used in carrying out P.L. 480 concessional sales, grant, donation and Food for Freedom programs. It maintains provisions of current law relating to eligible commodities, minimum amounts of commodities to be furnished under section 416(b), estimation of expected year-end levels of uncommitted stocks, publication of stocks to be made available under section 416(b), and statement that commodities provided through section 416(b) should be subjected to expedited procedures. It provides that commodities shall not be made available for disposition in amounts that will reduce amounts of commodities traditionally made available through donations to domestic feeding programs or that would prevent the Secretary from fulfilling agreements entered to under the production adjustment programs provided in Titles I and II of this Act or other Acts administered by the Secretary. It also maintains current law relating to use of foreign currency proceeds in Poland but strikes language describing eligible activities. [Section 1113]

The House amendment retains current law and adds new provisions on conflict of interest, commodity transportation, open competition, capping of broker fees, non-discriminatory distribution, and prohibition against military involvement which are also added to P.L. 480. [Section 1213]

The conference substitute adopts the House position, with an amendment making section 416(b) commodities available under the new title III of this Act. In agreeing to retain current law, the managers intend that section 416(b) programs continue to be implemented as they are at the present time. [Section 1514]

101 Subtitle B—Agricultural Trade Act of 1978 (S 1121; H 1221)

The Senate bill amends the Agricultural Trade Act of 1978 by replacing it with new text. Section numbers below refer to the sections of that Act as amended. [Section 1121]

The House amendment amends titles I through IV of the Agricultural Trade Act of 1978 by replacing them with new text. Section numbers below refer to the sections of that Act as amended. [Section 1221]

The Conference substitute rewrites the Agricultural Trade Act of 1978 in its entirety. The following section and title references are to the provisions of the Agricultural Trade Act of 1978 as rewritten. (Section 1521)

102. Short title (S 1121; H 1221)

The Senate bill Section 1 states that the Act may be cited as the Agricultural Trade Act of 1978 (the "1978 Act"). (Section 1121)

The House provision contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 1521)

TITLE I—AGRICULTURAL TRADE POLICY

Subtitle A—Purpose and Definitions—Agricultural Trade Policy of the United States

The Senate bill provides that it is the policy of the United States to—

(1) provide agricultural commodities for export at competitive prices;

(2) increase exports of value-added agricultural products;

(3) provide food assistance to needy countries;

(4) support the principle of free trade, promote fair trade, and remove foreign policy constraints in agricultural trade;

(5) counter unfair trade practices;

(6) to remove foreign policy constraints in agricultural trade; and

(7) provide for increased representation of U.S. agricultural trade interests in the formulation of national fiscal and monetary policy affecting trade. (Sec. 101)

The House amendment expresses Congressional findings that the U.S. agricultural export policy should emphasize increased exports of high value agricultural products. [Section 104]

The Conference substitute deletes both provisions.

103. Purpose (S 1121; H 1221)

The Senate bill outlines the Act's purpose of increasing the profitability of farming and market opportunities for U.S. farms and agricultural enterprises and coordinated and efficient implementation of U.S. agricultural trade programs. [Section 102]

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision with a clarifying change. (Section 101)

104. Definitions (S 1221; H 1221)

The Senate bill defines the terms agricultural commodity, developing countries, Secretary, Service, unfair trade practice, and wood and processed wood products. [Section 103]

The House amendment provides a similar provision which also defines the terms U.S. Agricultural Commodity, U.S., Agricultural Commodity, Developing Country, Secretary and Unfair Trade Practice. [Section 101]

a. Agricultural Commodity

The Senate bill provides that an Agricultural Commodity is defined as any agricultural commodity or product produced in the U.S., wood or processed wood products, fish, livestock, or value-added, fortified or high-value agricultural products.

The House amendment provides that an Agricultural Commodity is defined as any agricultural commodity, food, feed, fiber or products thereof.

The Conference substitute adopts the House provision. (Section 102)

b. U.S. Agricultural Commodity

The House amendment provides that a U.S. Agricultural Commodity is defined as—

(1) for other than agricultural products, an agricultural commodity produced in the U.S.;

(2) for an agricultural product, either a product—

(a) all components are produced in the U.S., except fish harvested in waters of a foreign country;

(b) the agricultural component not entirely produced in the U.S. is an added, de minimis component; not commercially produced in the U.S.; and no acceptable substitute produced in the U.S. (Section 101)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision clarifying that no acceptable substitute be commercially produced in the U.S. (Section 102)

c. Unfair Trade Practice

The Senate bill provides that an unfair Trade Practice is defined as any act, policy or practice of a foreign government that is unreasonable or discriminatory and burdens or restricts U.S. ag. exports, including—

(1) export subsidies;

(2) artificially low priced raw materials;

(3) financial assistance on preferential terms;

(4) variable levies or restrictive licensing practices; and

(5) discriminatory pricing policies of marketing boards and State trading agencies. (Section 103)

The House amendment provides that an unfair trade practice is defined as an act, policy or practice of a foreign government that—

(1) violates or is inconsistent with any trade agreement including the U.S. as a party;

(2) is unjustifiable, unreasonable, or discriminatory and restricts U.S. commerce;

(3) is not inconsistent with Sec. 301 of the Trade Act of 1974.

The Conference substitute adopts the House provision. (Section 102)

The Managers intend that unfair trade practice include (1) export subsidies such as the provision of direct subsidies to an individual, firm, or industry contingent on export performance; currency retention schemes; internal transport and freight charges on export shipments by governments on terms more favorable than for domestic shipments; and tax rebates on exports; (2) furnishing or ensuring the availability of raw materials to domestic processing operations at artificially low prices, including the maintenance of export taxes, duties, or charges on products that are used as inputs for the production of secondary products at levels higher than that levied on the secondary products; any other differential export tax or duty exemption; domestic consumption quotas and the assumption of costs or expenses of production, processing, or distribution by the government; (3) financial assistance on preferential terms; (4) variable levies or restrictive licensing practices; (5) discriminatory pricing policies of marketing boards and State trading agencies.

The Managers believe an act, policy or practice is unreasonable if it, while not necessarily in violation of or inconsistent with, the international legal rights of the United States, is otherwise unfair and inequitable.

105. Certification of Compliance (S 1211; H 1221)

The Senate bill provides no comparable provision, but see provisions concerning arrival of commodities under export credit guarantee program. (Sec. 202(1)).

The House amendment provides that the Secretary is required to obtain certification concerning commodities being exported or used under any export promotion program of USDA or CCC—

(1) from countries or importers that the commodity was received in that country; and

(2) from sellers or exporters that there were no corrupt bonuses, etc. involved and that transaction complied with U.S. law. [Sec. 102]

The Conference substitute provides that with respect to commodities or other assistance provided, or for which financing or credit guarantees are made available under the programs authorized in this section, the Commodity Credit Corporation shall—

(1) require the exporter to maintain records of an official or customary commercial nature or other documents as the Secretary may require, and have access to such documents or records as needed to verify the arrival of agricultural commodities exported in connection with such programs in the countries that were the intended destination of such commodities, and

(2) obtain certification from the seller or exporter of record of such commodities, that there were no corrupt payments, extra sales services, or other items than those so provided, financed, or guaranteed in connection with the transaction, and that the transaction complied with applicable United States law. (Sec. 401)

106. Departmental Administration System (H 1221)

The House amendment establishes required procedures governing the submission and review of all export program proposals, including regular audits of program transactions. Encourages the Secretary to determine whether to use suspension and debarment for non-compliance with program requirements. Requires the Secretary to contract with an outside management consultant to obtain recommendations on how to improve the implementation of this section. [Sec. 103]

The Senate bill provides no comparable provision.

The Conference substitute provides that with respect to each commercial export promotion program of the Department of Agriculture or the Commodity Credit Corporation, the Secretary shall—

(1) specify by regulation the criteria used to evaluate and approve proposals for that program;

(2) establish a centralized tracking system to permit the Foreign Agricultural Service to provide the full history and current status of any proposal;

(3) provide for regular audits of program transactions to determine compliance with program objectives and requirements; and

(4) establish criteria to evaluate loans eligible for guarantees by the Commodity Credit Corporation, so as to ensure that the Corporation does not assume undue risk in providing such guarantees.

The substitute also provides that information on the status of a proposal shall be retrievable within the central system by appropriate categories, as determined appropriate by the Secretary. (Section 103)

107. Long-term agricultural trade strategy (S 1121; H 1221)

The Senate bill requires the Sec. to develop a long-term agricultural trade strategy every three years to guide the implementation of agricultural trade programs. [Section 110 (a) and (d)]

Specifies the goals of such a strategy.

Requires that the Secretary establish the above-mentioned goals, identify priority markets and establish market plans for such markets. [Section 110(b)]

Requires that the Secretary consult with other agencies and with the Agricultural Policy Advisory Committee, and provide for public comment in developing the long-term strategy and consider exchange rate fluctuations, foreign unfair trading practices, foreign food needs, and differences in transportation, shipping, and marketing factors. The strategy should: (1) encourage the commercialization of foreign markets and promotion of U.S. as a primary and dependable supplier of agricultural commodities, and (2) contain multi-year plans to implement U.S. export and food assistance programs. [Section 110(c)]

The House amendment provides a similar provision which requires the Secretary to develop, every three years, a long-term agricultural trade strategy to ensure coordinated use of the various export programs, and include trade goals, designation of growth and priority markets, and individual market plans. [Section 105]

The House provision requires the Secretary to consult with USTR to ensure that strategy is coordinated with annual national trade policy agenda.

The Conference substitute adopts the Senate provision with requirements to consult with USTR and private sector advisory groups.

108. Long-term agricultural trade goals (S 1121; H 1221)

The Senate bill requires that the Secretary develop goals with respect to the desired levels of agricultural exports and market shares over a period of not less than 3 years for all agricultural commodities; certain specified commodities; high-value, value-added, processed commodities; and expenditures on export programs. [Section 111]

The House amendment requires the Secretary to include agricultural trade goals for all agricultural commodities, expressed in both physical volume and monetary value over not less than the 3-year period for which the long-term strategy is developed. [Section 105(b)]

The Conference substitute adopts the Senate provision except for the reference to processed, value-added products. [Section 103(b)]

109. Establishment of priority markets (S 1121; H 1221)

The Senate bill directs the Secretary to designate at least 15 countries or groups of countries most likely to emerge as growth markets for U.S. commodities within 5 and 10 years. At least 5 of these countries shall be developing countries. Growth markets shall be given priority for the use of U.S. ag export programs, excluding food assistance and programs to combat unfair trade practices, in accordance with individual market plans and the long-term agricultural trade goals. [Section 112]

The House amendment provides a similar provision except uses 3- and 6-fiscal-year prospective periods for growth and sets no minimum for developing countries. [Section 105(c)]

The Conference substitute provides that the Secretary shall develop a list for inclusion in the long-term trade strategy of not less than 15 countries (or groups of countries) that are most likely to emerge as growth markets during the 3- and 6-fiscal-year periods beginning on October 1, 1991. The Secretary is required to designate countries on the list as priority markets for Federal programs that promote the export of U.S. agricultural commodities (other than those programs designed to provide food assistance and those programs under section 201). (Section 103(d))

110. Establishment of market plans (S 1121; H 1221)

The Senate amendment directs the Secretary to develop individual market plans for each priority market, including specific plans to assist exports and market development, and the agricultural trade goals for that country over the next 3 years, depending upon the type of market (commercial, subsidized, or concessional) with an emphasis on decreasing subsidized exports and increasing commercial purchases. [Section 113]

The House amendment provides a similar provision, but does not address individual market goals. [Section 105(e)]

The Conference substitute adopts the House amendment with clarifying change. (Section 104(d)(3))

111. Confidentiality (S 1121; H 1221)

The House amendment authorizes the Secretary to designate portions of the trade strategy as confidential. [Section 105(f)]

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision, with an amendment to sunset the provisions in December 1995. (Section 103 (f))

112. Review (S 1121)

The Senate bill requires the Secretary to review the U.S. agricultural trade performance based on the strategy and goals at least every 3 years and evaluate what revisions are necessary. (Section 114(a))

Directs the Secretary to conduct an interim review on the actions the Secretary has taken to increase exports of U.S. processed, value-added agricultural products. [Section 114(c)]

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision, with amendments to maintain the 3-year review. (Section 103(e))

The Managers intend that in conducting this review, the Secretary shall review U.S. agricultural trade performance in conjunction with the long-term trade strategy developed for such period; determine whether and to what extent individual market plans were successfully implemented during such period; determine whether the use of any Federal export programs has resulted in an increase in agricultural exports, including high value, processed agricultural commodities in priority markets during such period, and conduct a country-by-country analysis of expenditures made under Federal export programs and the resulting exports of U.S. agricultural commodities during such period.

113. Relief from Unfair Trade Practices (H 1221)

The House amendment authorizes the Secretary to utilize the export promotion programs to offset unfair trade practices faced by an industry which is not able to progress with dispute settlement proceedings under an international trade agreement because the party maintaining the unfair trade practice does not allow the proceeding to progress. Consultations with the industry are required. [Section 106]

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision. (Section 302)

114. Preservation of traditional markets (S 1121; H 1221)

The Senate bill directs the Secretary to seek to preserve traditional markets for U.S. agricultural commodities. [Section 115]

The House amendment provides a similar provision which directs the Secretary to seek to preserve traditional markets for agricultural commodities in implementing USDA programs intended to encourage exports. [Section 107]

The Conference substitute adopts the House provision. (Section 104)

115. Independence of Authorities (S 1121; H 1221)

The House amendment provides that authorities under the Act are in addition to other authorities. [Section 108]

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision. (Section 105)

116. Program Expenditures (S 1121; H 1221)

The House amendment provides that expenditures under the 1978 Act are expenditures for export promotion and not for price support. [Section 109]

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

117. Direct credit sales program

a. General Provisions

The Senate bill revises and reauthorizes the direct credit sales program from section 4 of the Food for Peace Act of 1966. Section 4 of Food for Peace is deleted in a later section of the bill.

> Use of program changed to include both short and long term credit assistance. Permissible uses expanded. Freight costs specifically included in part of sale that is financed. [Section 201]

The House amendment provides no provision. Retains current law provisions.

b. Short-term Credit Sales

The Senate bill provides that sec. 201(a) authorizes the CCC to provide short-term financing of commercial export sales from privately owned stocks for periods of up to 3 years.

The House amendment retains current law authority under the CCC export credit sales program and section 4 of the Food for Peace Act with technical modifications. Wood, fish and products thereof are explicitly included in guarantee program. [Section 1222]

The Conference substitute adopts the Senate provision. (Section 201)

c. Intermediate term credit sales (H 1222)

The Senate bill authorizes CCC to provide intermediate-term financing for commercial export sales from privately owned stocks for periods between 3 and 10 years.

Sec. 201(c) provides that intermediate-term financing must be determined to develop, expand or maintain the foreign market; improve the importing countries' ability to be a long term commercial purchaser; or otherwise promote U.S. agricultural exports.

Sec. 201(d) specifies that the direct credit program shall be used to increase exports, meet foreign competition, and assist developing countries in meeting their food needs. Cost of freight to the foreign port of entry may be included within the financed sales. The use of the financing for foreign aid or debt rescheduling is prohibited. Cargo preference laws do not apply to the financed sales. Deletes reference to use of funds for friendly countries.

Sec. 201(e) requires repayment of the financing to be in dollars, including interest, and an initial payment may be required at the time of sale or shipment.

Sec. 201(f) prohibits the resale or transhipment of commodities subject to a direct sale to other countries. The CCC may obtain commitments of such action from purchasers, where feasible. (Section 201)

The House amendment requires that intermediate term direct credit export sales must directly benefit U.S. producers. [Section 1222(b)]

Adds a prohibition on the use of intermediate credit financing or guarantees for the purpose of foreign policy. [Section 1222(e)]

The Conference substitute adopts the Senate provision except for the cost of freight provision. (Section 201)

The Managers intend that cost of freight with regard to intermediate-term programs be handled in the same manner as cost of freight for the intermediate-term credit guarantee program.

118. Export credit guarantee program

a. General Provisions (H 1222)

Sec. 4 of Food for Peace and sec. 1125 of the FSA are deleted in a later section of the bill.

The House amendment retains current law authority under the CCC export credit sales program and section 4 of the Food for Peace Act with technical modifications. [Section 1222]

b. Short-term Program

The Senate bill provides that sec. 202(a) authorizes the CCC to guarantee short-term loans of up to 3 years for commercial sales of agricultural commodities from privately owned stocks.

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 202)

c. Intermediate-term Program

The Senate bill provides that section 202(b) authorizes CCC to guarantee intermediate-term loans of between 3 and 10 years for commercial sales of agricultural commodities from privately owned stocks.

Sec. 202(c) provides that intermediate guarantees must be determined to develop, expand or maintain the foreign market; improve the importing countries ability to be a commercial purchaser; or otherwise promote U.S. agricultural exports.

The House amendment requires that intermediate term credit guarantees must directly benefit U.S. producers. [Section 1222(b)]

The Conference substitute adopts the Senate provision with an amendment clarifying that the credit guarantees must directly benefit U.S. producers. (Section 202)

d. Other Provisions

The Senate bill provides that sec. 202(d) specifies that the guarantees may be used to increase exports, meet foreign competition, and assist developing countries in meeting their food needs.

Sec. 202(e) provides that the cost of freight to the foreign port of entry may be included within the guaranteed sales.

Sec. 202(f) prohibits the use of the guarantees for foreign aid or debt rescheduling. Cargo preference laws do not apply to the guaranteed sales. Deletes reference to use of assistance for foreign policy.

Sec. 202(g) prohibits the availability of guarantees to a country that cannot adequately service the debt.

Sec. 202(h) authorizes the CCC to determine the terms and conditions of the contract of guarantee, as necessary.

Sec. 202(i) prohibits the resale or transhipment of commodities subject to a contract of guarantee to other countries. The CCC shall obtain, where feasible, certification of such action from purchasers.

The House amendment adds prohibition on the use of intermediate credit guarantees for the purpose of foreign policy. [Section 1222(e)]

Amends section 4(e) of the Food for Peace Act to prohibit the availability of guarantees to a country that cannot adequately service the debt. [Section 1222(d)]

Retains current law prohibiting resale or transhipment of commodities under the intermediate-term program with authority to the Secretary to obtain certification where feasible. (Section 1222(d))

The Conference substitute adopts the Senate provision with an amendment to prohibit the use of intermediate credit guarantees for foreign policy purposes. (Sec. 201(b)(c))

e. Domestic Content

The Senate bill establishes a domestic content requirement for eligible commodities for the export credit guarantees. At least 90 percent of the value of the commodity shall be derived from agricultural commodities produced in the United States. The CCC may require 100 percent U.S. content if monitoring the export of such commodities to determine the percentage domestic content is not practical. Guarantees shall not cover any portion of the exported commodity derived outside the United States. (Section 202(j))

The House amendment amends section 1125 of the Food Security Act to provide that CCC may only finance or guarantee U.S. agricultural commodities as defined in the revised 1978 Trade Act. The Commodity Credit Corporation shall not guarantee the value of any foreign agricultural component. [Section 1222(e)]

The Conference substitute adopts the House provision. (Section 202)

f. Financial Institutions

The Senate bill provides that sec. 202(k) establishes eligibility criteria for financial institutions to negotiate letters of credit guaranteed under this program. Ineligible institutions include an institution that is not in sound fiscal condition, an institution that lacks experience in similar transactions, or a branch, home office or a subsidiary of the institution issuing the letter of credit.

The House amendment provides no comparable provision.

The Conference substitute provides that a financial institution shall be ineligible for credit guarantees if it (1) is not in a sound financial condition, (2) is the financial institution issuing the letter of credit or a subsidiary of such institution, or (3) is owned or controlled by an entity that owns or controls such financial institution issuing the letter of credit. (Section 202(i))

g. Arrival of Commodities

The Senate bill provides that sec. 202(l) requires the CCC to audit export transactions to ensure that the agricultural commodities arrive in the agreed country of destination.

The House amendment amends the Food for Peace Act to provide that the Secretary shall ensure that commodities exported under short or intermediate direct credit programs and intermediate export credit guarantee programs arrive at a specified destination country. Requires the Secretary to provide for enforcement of penalties for failure to properly deliver commodities exported under this section. Does not apply to short-term export credit guarantees. [Sec. 1222(d)]

The Conference substitute provides that the unauthorized diversion of commodities under the programs authorized under this title is prohibited. The Commodity Credit Corporation shall establish procedures providing for the annual audit of a sufficient number of export transactions under these programs to ensure that the agricultural commodities that were the subject of such transactions arrived in the country of destination as provided in the sales agreement.

The failure of an exporter, seller or other person to comply with these provisions shall not affect the validity of any credit guarantee or other obligation of the Commodity Credit Corporation under the programs under this title with respect to any exporter, seller, or person who had no knowledge of such failure to comply at the time the credit guarantee was assigned or at the time the Corporation entered into such obligation.

h. Fraud

The Senate bill provides that sec. 202(m) prohibits guarantees to an exporter or assignees who have knowledge of or commit fraud in the use of guarantees or the appropriation of commodities under this program.

The House amendment amends the Food for Peace Act to provide a provision similar to the Senate provision, except it does not apply to short-term guarantee program and contains no requirement of knowledge of the fraud. [Sec. 1222(d)]

The Conference substitute provides that if any exporter, assignee, or other participant has engaged in fraud with respect to the programs authorized under this Act or has otherwise violated program requirements under this Act, the Commodity Credit Corporation may—

(1) hold such exporter, assignee, or participant liable for any and all losses to the Corporation resulting from such fraud or violation;

(2) require a refund of any assistance provided to such exporter, assignee, or participant plus interest, as determined by the Secretary; and

(3) collect liquidated damages from such exporter, assignee, or participant in an amount determined appropriate by the Secretary.

The provisions of this subsection shall be without prejudice to any other remedy that is available under any other provision of law.

The Conference substitute further provides that the Commodity Credit Corporation may suspend or debar for at least 1 or more years, any exporter, assignee, or participant (including a participating country) from participation in one or more of the programs authorized by this Act if the Corporation determines, after opportunity for a hearing, that such exporter, assignee, or participant has violated the terms and conditions of the program or of this Act and that the violation is of such a nature as to warrant suspension or debarment. (Section 402(b))

The Conference substitute also provides that the provisions of 18 USC 1001 pertaining to making false statements to the Federal government applies to any false statements made in connection with the programs authorized under this Act. (Section 402(d))

119. Records (H 1222)

The House amendment amends the Food for Peace Act to require exporters under the program to maintain program records for 5 years after completion of the program transaction, requires the Secretary to maintain the confidentiality of such records, and requires the Secretary to issue final regulations within 90 days after enactment. Secretary may require exporters to keep non-program transaction records. [Sec. 1222(d)]

The Senate bill has no comparable provision.

The Conference substitute provides that in the administration of the programs under this Act, the Secretary shall require, by rule, each exporter to maintain all records concerning a program transaction for a period of not to exceed 5 years after completion of the program transaction, and to permit the Secretary to have full and complete access, for such 5-year period, to such records.

Additionally, the Secretary may require by regulation an exporter or other participant to make records available to the Secretary with respect to the non-program transactions if such records would pertain directly to the review of program-related transactions undertaken by such exporter or participant, as determined by the Secretary. Confidentiality language is clarified. (Section 402(a))

120. Guarantees for Wood and Fish (H 1222)

The Senate bill directs the Secretary to make export credit guarantees available for wood and wood products under terms and conditions comparable to guarantees of other commodities. [Section 202(n)]

The House amendment amends the Food for Peace Act with a similar provision, except House provision only applies to intermediate-term guarantees, and explicitly includes fish and fish products. [Sec. 1222(a)]

The Conference substitute provides that the Secretary shall make credit guarantees available for fish and processed fish products under terms and conditions that are comparable to the terms and conditions that apply to guarantees provided with respect to other agricultural commodities under such subsections. (Section 202(j))

It is the intent of the Managers that the terms "wood and processed wood products" continue to be included in definitions of agricultural products and included in USDA Export Credit Guarantee Programs.

121. Deferred payment sales (H 1222)

The Senate bill provides technical changes to section 201 of current law. [Section 203]

The House amendment repeals similar provision in current law.

The Conference substitute deletes the Senate provision.

122. Marketing Assistance Program (MAP)

a. General (H 1221)

The Senate bill provides that sec. 204 authorizes the Secretary to establish a Marketing Assistance Program to provide cost-share assistance to U.S. organizations for the development, maintenance and expansion of commercial export markets for U.S. agricultural commodities. Cost share assistance may be in the form of funds or commodities of the CCC.

To be eligible for cost-share assistance, a United States organization shall be an eligible trade organization, prepare and submit a marketing plan and meet any other requirements established by the Secretary.

Priority for assistance shall be made for affirmative determinations under section 301 of the Trade Act of 1974, where exports have been adversely affected, as defined by the Secretary, through retaliatory actions related to an affirmative determination under section 301, to counter or offset an unfair trade practice of a foreign country or to promote the sale of value-added, fortified, or high-value agricultural products under section 301 of the Agricultural Trade Development and Assistance Act of 1954, especially countries in Eastern Europe.

Most private organizations cannot receive assistance exceeding 50 percent of expenses. Exceptions are (1) private companies that provide a marketing plan for agricultural commodities that have received a favorable decision under section 301 of the Trade Act of 1974, and (2) private entities that have received assistance under section 1124 of the Food Security Act, where any cost-share assistance was greater than 50 percent. In the latter case, cost-share assistance would be staged down to 50 percent in equal increments over the 5-year period. [Section 204(g)]

The Secretary may use the funds, facilities and authorities of the CCC for this program. $200–$325 million is authorized for each of the fiscal years 1991 through 1995. [Section 211(c)]

Sec. 204(i) requires that FAS review the regulations governing the eligibility of organizations for MAP. Within 60 days, FAS should recommend to the Agriculture Committees ways to improve the use of funds by smaller trade organizations and any changes to these regulations.

The House amendment amends title II of the 1978 Act to direct the Commodity Credit Corporation to establish a Marketing Promotion program. [Section 202]

Priority for assistance under the program shall be for cases involving an unfair trade practice (or in other cases as determined by the Secretary).

Assistance for branded promotion shall not exceed 50 percent of the cost of implementing the marketing plan. Criteria for determining that cost must be documented.

Final rules must be issued not later than 90 days after the date of enactment of this Act.

The CCC shall make available assistance at a level not less than $325,000,000 for each of fiscal years 1991 through 1995. Within this amount, the Secretary must establish as an objective the reservation of an amount of assistance for use of the four regional nonprofit export trade associations established through the States and the Foreign Agricultural Service. [Sec. 202]

The Conference substitute adopts the House provision except for the following: (1) defines an eligible trade organization as a United States agricultural trade organization or regional State-related organization that promotes the export and sale of agricultural commodities and that does not stand to profit directly from specific sales of agricultural commodities, and (2) does not include the provision requiring the Secretary to establish as an objective the reservation of funds for the four regional nonprofit export trade associations. (Section 203)

The marketing promotion program provided for by this section is a revision of the Targeted Export Assistance program provided for by Section 1124 of the Food Security Act of 1985. Although that section only provided for export assistance to be made available in the case of finding of an unfair trade practice, the program provided for by this section is designed to help foreign market promotion activities generally, with a special emphasis given to helping the exports of agricultural commodities hampered by unfair trade practices.

The Managers note their intent that priority be given to assisting exports of agricultural commodities affected by unfair trade practices, particularly agricultural commodities with respect to which there has been a favorable decision under Section 301 of the Trade Act of 1974 (19 U.S.C. 2411); and agricultural commodities for which exports have been adversely affected, as defined by the Secretary, through retaliatory actions related to a favorable decision under Section 301 of the Trade Act of 1974 (19 U.S.C. 2411).

This section defines organizations that are eligible for assistance under the marketing promotion program. The Managers deleted from the Conference substitute language in the Senate bill specifically stating that a tribal or inter-tribal organization that promotes the export and sale of one or more Native American agricultural products. The Managers took this action because the eligibility of such tribal or inter-tribal organizations is covered by the more general language concerning private or non-profit organizations that promote agricultural exports that remains in the Conference substitute.

The Foreign Agricultural Service (FAS), in cooperation with state governments, has formed four regional trade organizations designed to assist smaller businesses in the development of export markets for agricultural commodities. Since the Targeted Export Assistance (TEA) program was established, the four regional organizations have assisted FAS by consolidating small company TEA requests and administering the TEA awards to the applicants. They also provide needed technical assistance to smaller companies in their regions in developing market development plans for the export of agricultural products.

It is the intent of the Managers that the FAS continue to view favorably the applications from eligible companies that are channeled through the regional trade organizations. It is also the intent of the Managers that FAS provide stronger oversight of the operation of the regional organizations. This includes ensuring that the regional organizations are complying with program requirements, that regional funds are equitably distributed, and that recipients are qualified organizations with the potential to contribute significantly to U.S. export market growth. The goal of the program—to expand commercial export markets with priority in the case of unfair trade practices—should not be hampered by inadequate or inappropriate administration of the program by any of the parties involved.

b. Requirements for Participation

The Senate bill provides requirements for participation:

Eligible trade organizations that prepare and submit a marketing plan within guidelines must be established by the Secretary for the Secretary's approval;

Marketing plans must be developed for countries that are, or have the potential to be, viable commercial markets for U.S. agricultural commodities;

Exports resulting from the use of MAP projects should have a significant positive effect on farmgate agricultural commodity values and on financial returns to farmers;

Priority shall be given where there is an affirmative determination or foreign retaliation to an action under section 301 of the Trade Act of 1974;

MAP assistance will be used to counter or offset an unfair trade practice by the foreign country or will be used in a country eligible for the Food for Freedom program in the Agricultural Trade Development and Assistance Act of 1954, especially Eastern European countries.

The House amendment contains a similar provision requiring submission of a marketing plan by an eligible organization.

The Secretary is directed to provide assistance under this section on a priority basis in the case of unfair trade practices. (Section 202)

The Conference substitute adopts the House provision. (Section 203)

c. Eligible Trade Organizations

The Senate bill defines eligible trade organizations to include U.S. or regional agricultural trade organizations that promote but do not profit directly from specific sales of agricultural commodities; a cooperative organization or State agency that promotes the sale of agricultural commodities; a private organization that contributes significantly to U.S. export market development; or a tribal or inter-tribal organization that promotes the export and sale of one or more Native American agricultural products.

The House amendment provides a similar provision which defines eligible trade organizations that promote but do not profit directly from specific sales of agricultural commodities; a cooperative organization or State agency that promotes the sale of agricultural commodities; or a private organization that contributes significantly to U.S. export market development. [Section 202(d)]

The Conference substitute is similar to both the Senate bill and House amendment with clarifying changes relative to limitation of funds for branded promotion. The Conference substitute provides that an exception can be made to the 50 percent limitation for branded promotion in the case of agricultural commodities with respect to which there has been a favorable decision under section 301 of the Trade Act of 1974. Criteria for determining that cost shall be consistent and such cost shall be documented.

The Conference substitute further provides that in the case where a participant has received funds in excess of 50 percent prior to the date of enactment of this Act and with respect to which assistance would be limited under this Act, any such reduction in assistance must be phased down in equal increments over a 5-year period. (Section 203)

The Managers note that the Targeted Export Assistance program was created in 1985 to assist a number of commodity groups which had gone through the very lengthy and expensive process of pursuing a section 301 case. The Congress believed that those commodity groups that faced unfair trade barriers overseas should be assisted in pursuing their export markets, and it is the Managers' intention that such assistance be continued.

The Managers intent that a private organization include a tribal or inter-tribal organization that promotes the export and sale of one or more Native American agricultural products.

d. Approved Marketing Plan

The Senate bill elaborates the requirements for the marketing plan to be submitted by eligible organizations prior to receiving cost-share assistance. This should include the manner in which Federal and private funds will be expended and the market goals of the program. Such promotion may include branded advertising.

Assistance may be provided over a period of 1 to 3 years. Multi-year assistance has to meet certain criteria.

The Secretary may terminate assistance under certain conditions, including the elimination of the unfair trade practice that was the basis of the provision of assistance.

The Secretary shall have full access to all records of the organization relating to the use of assistance during and for 5 years after participation in the program.

The House amendment provides a similar provision for an approved marketing plan. The Secretary is required to make evaluations of expenditure of funds under this section and must justify in writing the level of assistance provided to an eligible trade organization and the level of cost-sharing required of such organization.

Assistance may be provided on a multi-year basis and the Secretary may terminate any assistance made under certain conditions.

The Secretary must require each eligible trade organization that receives assistance under this program to maintain all records concerning a program transaction for a period of 5 years after completion of the program transaction and to permit the Secretary to have full and complete access to such records. (Section 202)

The Conference substitute adopts the House provision. (Section 203)

123. Non-program Transactions (H 1222)

The House amendment authorizes the Secretary to require organizations to make available records of non-program transactions. [Section 202(f)(4)]

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision. (Section 203)

124. Barter of agricultural commodities

The Senate bill provides that sec. 205 replaces barter provisions outside of the CCC Charter Act, including sections 1167 of the Food Security Act of 1985, section 416(d) of the Agricultural Act of 1949, and others.

The Secretary is authorized to provide commodities in barter for foreign products. Eligible commodities include those acquired by the CCC through price support operations or in the normal course of business.

The Secretary or CCC may provide commodities, technical advice and assistance to U.S. exporters that barter for foreign products or to develop foreign markets for U.S. exports. The Secretary or CCC is authorized to transfer foreign products that they obtain to other government agencies, provided they are fully reimbursed within the same fiscal year.

This section does not limit the CCC's authority to acquire, hold or dispose of such foreign materials. The Secretary or CCC is required to take reasonable precautions to prevent the misuse of eligible commodities in a barter or exchange program.

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision. (Section 204)

125. Agricultural Credit Revolving Fund

The Senate bill provides that the original revolving fund is slightly revised and transferred to new sec. 206. Only significant change is that the requirement that the Secretary annually report on the status of fund is deleted. [Sec. 206]

The House amendment provides no comparable provision.

The Conference substitute deletes the Senate provision.

126. Equitable Treatment of High-Value Commodities

The House provision provides that in the case of any program, such as that established under section 201 (Export Enhancement Program), operated by the Secretary or the Commodity Credit Corporation during the fiscal years 1991 through 1995, for the purpose of discouraging unfair trade practices, the Secretary shall establish as an objective to expend annually at least 25 percent of the total funds available (or 25 percent of the value of any commodities employed) for activities involving the export sales of high-value agricultural commodities and value-added products of U.S. agricultural commodities. (Section 203)

The Senate has no comparable provision.

The Conference substitute adopts the House provision. (Section 303)

Combination of programs

The Senate bill provides that if a country fails to meet its financial qualifications under the direct credit sales program or export credit guarantee program, the Secretary may provide commodities under the Export Enhancement Program to that country.

The Secretary is required to annually review and adjust the quantity of commodities provided to a country.

The CCC may blend commercial export credit guarantees with direct credits to reduce the effective rate of interest on export sales of agricultural commodities. (Section 207)

The House amendment provides no comparable provision.

The Conference substitute provides that the Commodity Credit Corporation may carry out a program under which commercial export credit guarantees under section 202 are combined with direct credits under section 201 from the Commodity Credit Corporation to reduce the effective rate of interest on export sales of agricultural commodities. (Section 205)

Subtitle B—Implementation

127. Funding levels (H 1222)

The Senate bill provides that sec. 211(a) provides that the CCC may make available such funds as necessary for the direct credit program.

The House amendment retains current law with same provisions.

The Conference substitute adopts the Senate provision. (Section 211)

The Senate bill provides that short-term export credit guarantees are to be funded at a minimum of $5 billion in each fiscal year 1991–95.

The House amendment extends current law with same provisions. [Section 1222(f)]

The Conference substitute adopts the Senate provision. (Section 211)

The Senate bill provides that intermediate-term export credit guarantees are to be funded at minimum of $500 million in each of the FYs 1991–95.

The House amendment extends current law with same provisions. [Section 1222(c)]

The Conference substitute adopts the Senate provision. (Section 211)

The Senate bill provides that the Marketing Assistance Program is to be funded at between $200 millon and $325 million in each of the FYs 1991–95.

The House amendment requires a minimum funding level of $325,000,000 for the Market Promotion Program. [Section 202(g) of the 1978 Act as amended]

The Conference substitute provides a funding level for the Market Promotion Program of $200 million for each of the fiscal years 1991 through 1995. (Section 211)

128. Regulations

The Senate bill directs the CCC or Secretary to promulgate regulations to carry out the provisions. (Section 212)

The House amendment provides no comparable provision.

The Conference substitute provides that the Secretary issue regulations within 180 days. (Section 404)

129. Authorization of appropriations

The Senate bill authorizes such sums as necessary for the title. (Section 213)

The House amendment provides no comparable provision.

The Conference substitute provides authorization for such sums as are necessary for the title. (Section 506)

TITLE III—RESPONSE TO UNFAIR TRADE PRACTICES

130. Purpose of authorities

The Senate bill authorizes the Secretary to carry out agricultural trade programs directed at foreign unfair trade practices. (Section 301)

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision. (Section 301)

131. Export enhancement program to combat unfair trade practices

The Senate bill provides that sec. 302 replaces section 1203 of the Agricultural and Food Act of 1981 and section 1127 of the FSA of 1985. The Secretary is required to carry out a program to discourage unfair trade practices by foreign countries and to encourage the development, maintenance, and expansion of export markets for U.S. agricultural commodities by making U.S. agricultural commodities price competitive. (Section 302)

The House amendment provides that section 201 of the 1978 Trade Act is amended to require the Commodity Credit Corporation to carry out a program to discourage unfair trade practices by making U.S. agricultural commodities competitive.

The Conference substitute adopts the Senate provision with a clarifying amendment. (Section 301)

The Senate bill provides Terms and Conditions:

> Export incentives shall be made to the extent necessary to counter or offset the adverse effect of unfair foreign trade practices.
>
> Incentives should make U.S. ag commodities available at the world market price in the foreign market.
>
> Priority should be given to sales to traditional markets for U.S. commodities.

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

The Senate bill provides that the Secretary shall avoid displacement of usual U.S. marketings and shall take reasonable precautions to prevent the resale or transshipment of the exported commodities.

The House amendment provides no provision.

The Conference substitute adopts the Senate provision. (Section 301).

The Senate bill provides that the cost of freight may be included. (Section 301)

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision (Section 301)

The Senate bill provides that the Secretary shall make reasonable efforts to avoid a disproportionate preference for one class of wheat.

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision. (Section 301)

The Senate bill provides that the Secretary shall make available some or all of the commercial export assistance to mitigate or offset unfair trade practices against particular commodities. Such commodities include those that the United States institutes, or attempts but is prevented from instituting, a proceeding of any international dispute settlement procedures, or initiates an investigation pursuant to section 301 of the Trade Act of 1974. The Secretary shall promptly consult with the industry regarding specific actions or an integrated marketing strategy to mitigate or offset such unfair trade practice, as well as the industry preference for the practical use of available assistance under this subtitle.

The House amendment provides no comparable provision.

The Conference substitute deletes the Senate provision (but see Section 302)

The Senate bill provides that agricultural commodities cannot be purchased with Section 32 funds for the sole purpose of using such commodities under this program. The program is to be carried out through the CCC. (Section 301(d))

The House amendment provides no comparable provision.

The Conference substitute deletes the Senate provision.

The House amendment provides that in proposals for livestock, the Commodity Credit Corporation shall give priority to those proposals that include the purchase of livestock and technical services. [Sec. 201(c)]

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision. (Section 301(c))

The Senate bill provides that authority for this program is in addition to existing authorities.

The House amendment provides no comparable provision.

The Conference substitute deletes the Senate provision.

The Senate bill provides that the Secretary shall use definite and publicized criteria for reviewing initiatives made under the program, establish and maintain a procedure for evaluating and reviewing bonuses awarded under the program, and establish consistent and effective procedures for reviewing the payment of bonuses to exporters.

The House amendment provides that the Commodity Credit Corporation shall maintain an established procedure for evaluating program bonus requests, use a clear set of established procedures for measuring transportation and incidental costs to be used in the calculation of acceptable bonus levels, in the case of livestock and livestock products, develop methodology to determine the world price and cost of production and maintain controls and procedures for auditing and reviewing payment of bonuses and securing refunds where appropriate. The Secretary may withhold from the public the procedures and guidelines established pursuant to this section. (Section 201)

The Conference substitute adopts the House provision. (Section 301)

The Senate bill requires the Secretary to make available at least 10 percent of the program incentives for sales of value-added, fortified, or high-value commodities. (Section 302(i))

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

The Senate bill provides that the Corporation shall make available such funds or commodities as are necessary to carry out the program in years 1991-95. (Section 302(j))

The House amendment provides that the Corporation shall make available not less than $500,000,000 per year to carry out the program in years 1991-95. Not more than 10 percent of the funds and commodities available may promote the export of agricultural commodities described in section 101 (6)(B)(ii). (Section 201(f))

The Conference substitute adopts the House provision, except for the provision directing 10 percent for value-added exports. (Section 301(e))

The Senate bill provides no comparable provision.

The House amendment provides that general purpose is not to adversely affect exports of countries not engaged in unfair trade practices. [Sec. 201(g)]

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with a fairly traded clarifying amendment that the Export Enhancement Program should not affect adversely the exports of fairly traded commodities. (Section 301 (g))

132. Regulations

The Senate bill provides that Sec. 303 provides that the Secretary or CCC shall promulgate the necessary regulations for the export enhancement program.

The House amendment provides no comparable provision.

The Conference substitute provides that the Secretary shall issue regulations implementing the provisions of this Act, including specific regulations pertaining to program compliance requirements under sections 401 and 402.

TITLE IV—GENERAL PROVISIONS

133. Increase in Total Revenue as Result of Export Assistance

The Senate bill provides that sec. 407 provides that the Secretary advise the Secretary of the Treasury and Director of the Office of Management and Budget concerning increases in U.S. agricultural exports resulting from assistance under section 302(c)(11). The Director shall estimate the additional revenue received by the Treasury as a result of the assistance programs established under this Act. The President shall, to the maximum extent practicable, consider this increase in Treasury receipts and the U.S. balance of payments in preparing the budget for the export assistance programs under this Act.

The House amendment provides no comparable provision.

The Conference substitute deletes the Senate provision.

TITLE V—FOREIGN AGRICULTURAL SERVICE

134. Administrator of the Foreign Agricultural Service

The Senate bill provides that sec. 502 establishes the position of Administrator of the FAS in USDA. Such position is appointed by the President with the advice and consent of the Senate. The Administrator is authorized to exercise functions and perform duties related to foreign agriculture, and shall oversee the operations of FAS, the General Sales Manager and the Agricultural Attaches. The Administrator, if a member of the Foreign Service, may rejoin the Foreign Service and retains full retirement rights and benefits.

The House amendment provides no comparable provision.

The Conference substitute provides for the establishment of the position of Administrator of the Foreign Agricultural Service. The Administrator is authorized to perform duties related to foreign agriculture and other duties as may be required by law or prescribed by the Secretary of Agriculture. The Administrator must oversee the operations of the Foreign Agricultural Service, the General Sales Manager, and the Agricultural Attache Service. (Section 502)

135. Responsibilities of the Foreign Agricultural Service

The Senate bill provides that FAS shall assist the Secretary in carrying out the agricultural trade policy of the United States. FAS is responsible for the promotion of U.S. agricultural exports; facilitation of economic assistance and development through programs authorized by this Act or elsewhere in law; representation of U.S. producers, processors and exporters in trade negotiations; and collection of information on foreign production, markets and government policies affecting agricultural trade. (Section 503)

The House amendment provides no comparable provision.

The Conference substitute provides that the Service shall assist the Secretary in carrying out the agricultural trade policy of the United States by acquiring information pertaining to agricultural trade, carrying out market promotion and development activities, and implementing the programs authorized in this and other Acts. (Section 503)

136. Staff of the Foreign Agricultural Service

The Senate bill provides that sec. 505 generally restates section 4211 of the Omnibus Trade and Competitiveness Act of 1988. This section authorizes a minimum of 900 staff years to FAS for operation of the agricultural export programs. The Secretary of State shall accord the diplomatic title of Minister-Counselor for up to 12 senior Service officers assigned to any U.S. mission abroad. (Sec. 4211 is deleted in a later provision.)

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision. (Section 504)

137. Authorization of appropriations

The Senate bill authorizes to be appropriated for the service such sums as necessary to carry out the provisions of this title. (Section 506)

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision. (Section 506)

TITLE III—TRADE REPORTING

138. Export reporting and contract sanctity (H 1221)

The House amendment provides that Title III of the 1978 Act requires weekly export sales reports of all exporters of wheat, wheat flower, feed grains, oilseeds, cotton, cotton products and other commodities, as the Secretary designates.

The Secretary shall collect information from commercial exporters of all major agricultural commodities on the U.S. versus foreign content in each export shipment. Information that cannot be obtained from records maintained in the ordinary course of business shall not be required. Processed product reports may be aggregated.

Identifiable information shall be considered confidential. Fines shall be levied against USDA employees who disclose such information or exporters that knowingly fail to file a report. The President cannot prohibit or curtail the export of any agricultural commodity under an export sales contract that is entered into before the President announces an action that would otherwise prohibit or curtail the export of the commodity and the terms of which require delivery of the commodity within 270 days after the date of the suspension of trade is imposed except for a national emergency or declaration of war by the Congress. [Sec. 301]

The Senate bill provides no comparable provision.

The Conference substitute adopts the House provision but limits the report on origin of commodities to loose and shelled peanuts.

In regard to tobacco, the Conference substitute—

(1) requires reporting within 60 days of export of all tobacco shipments;

(2) requires records to be kept on all finished cigarette and cigarette ready tobacco with information aggregated on a quarterly basis, certified as accurate by the reporting person and submitted to the Secretary (records supporting the accuracy of such certification must be maintained for 5 years);

(3) requires that records maintained and reports filed shall include the crop year, grade, type, country of origin, poundage, and such other information as the Secretary deems appropriate;

(4) requires the Secretary to forward reports to the House and Senate agriculture committees in a timely fashion; and

(5) provides that any person who violates this provision shall be subject to penalties under 18 U.S.C. 1001 for each such violation. (Sec. 602)

The Conference agreement envisions there will be two reports. One, relating to general tobacco exports, on a monthly basis regarding individual reports, and another, relating to cigarettes and cigarette ready tobacco exports, on a quarterly basis regarding individual aggregate reports. Both must be submitted to the House and Senate agriculture committees in a timely fashion.

The tobacco reporting requirements simply require reports to be filed on all tobacco shipments under two different mechanisms. First, tobacco shipments which are not either cigarettes or cigarette ready, must be reported to the Secretary of Agriculture within 60 days of export on an individual basis. Report requirements for cigarettes and cigarette ready tobacco shipments allow for individual aggregate quarterly reporting of tobacco shipments by individual companies. This processed product requirement is designed to protect specific or particular brand formulations.

The Managers intend that certification of tobacco or tobacco products by type relates to the broad categories of the major and minor kinds of tobacco, for example, flue-cured, burley, Maryland, dark air, fire cured, etc. Type reporting does not require the person reporting to designate types within the broad categories.

The Managers intend that crop year designation for tobacco and tobacco products reflect the crop year which the Department of Agriculture would normally assign to the particular lot of tobacco. Tobacco marketed in a given year, and considered to be of a certain crop year continues to retain that particular crop year designation. In the case of imported tobacco, the marketing year, and not the year of importation, should control.

The retention of supporting documentation for a 5-year period, provides clear guidance to the exporters of cigarettes and cigarette ready tobacco as to the requirements of the section.

The certification specified in this provision should not limit the ability of the Producer Associations to sell tobacco.

TITLE VI—REPORTS

139. Nongovernmental subsidies (H 1221)

The House amendment requires the Secretary to study the extent to which non-governmental (i.e. private) trade and production practices are provided in any foreign country, with a priority to livestock and U.S. price support commodities. [Section 401]

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

140. Other reports to Congress

The Senate bill provides that sec. 602 provides that additional reports be made to the Ag Committees including an annual report on barter; a bi-monthly update on export assistance; an annual report on the operation of the Trade Assistance Office; a quarterly report on the level of export sales, the use of credit guarantees and direct loans; and an annual report concerning the food aid assistance programs.

The House amendment provides no comparable provision.

The Conference substitute provides that the Secretary must, not less than quarterly, prepared and submit to the Agriculture Committees and the House Committee on Foreign Affairs a report specifying the cumulative amount of export assistance provided by the Commodity Credit Corporation under this and other Acts. (Section 603)

141. Prohibition on use of title

The Senate bill extends the prohibition on the use of the title "Assistant Secretary of Agriculture for International Affairs and Commodity Programs". (Section 1123)

The House amendment provides no comparable provision.

The Conference substitute deletes the Senate provision.

142. Durum wheat imports

The Senate bill requires the Secretary to report to Congress within one year on the impact on domestic durum wheat growers of durum wheat imports from Canada. (Section 1124)

The House amendment provides no comparable provision.

The Conference substitute deletes the Senate provision.

143. Alfalfa seed imports

The Senate bill provides that sec. 1125 requires the Secretary to report to Congress within one year on the impact on domestic alfalfa seed growers of alfalfa seed imports from Canada.

The House amendment provides no comparable provision.

The Conference substitute deletes the Senate provision.

144. Market development task force (H 1223)

The House amendment requires the Secretary to establish a Market Development Task Force to help develop the long-term agricultural trade strategy required by section 105. Membership on the task force includes representatives from Commerce, FAS, USTR, SBA, the Extension Service, the National Association of State Departments of Agriculture, the special assistance to the President for Agriculture, and the private sector. [Section 1223]

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

It is the intent of the Managers that in the preparation of the long-term trade strategy the Secretary will, to the extent possible, draw upon the resources of all of the principal governmental agencies involved in the export business and organizations involved in the daily operations of export trade and export promotion. It is especially important that the U.S. Trade Representative, the Small Business Administration, and the Department of Commerce be consulted and involved in the strategy formulation. The ultimate goal should be a comprehensive, government-wide strategy for agricultural exports.

Subtitle C—General Provisions

145. Cottonseed oil and sunflower oil exports

The Senate bill revises the Cottonseed Oil and Sunflower Oil Export programs, established in section 301(b) of the Disaster Assistance Act of 1988. This provision provides that $50 million of the available funds shall be used to encourage the export of sunflowerseed oil and cottonseed oil at competitive world prices. Such funds shall be fully obligated in years such sums are available and the domestic prices of such oils exceed competitive world prices. Benefits under the program shall be only to the extent necessary to encourage the sale. To the maximum extent practicable, equivalent funds should be used for sales of sunflower seed oil and cottonseed oil. (Section 1132)

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision. (Section 1521)

146. Promotion of Agricultural Exports to Emerging Democracies (H 1231)

The House amendment makes available not less than $225 million of GSM 102 export credit guarantees for agricultural exports to emerging democracies and $50 million of GSM 103 for financing infrastructure improvement projects. [Section 1231]

The Senate bill contains no comparable provision.

The Conference substitute provides $1 billion for the five-year period (fiscal years 1991–1995) for short- and intermediate-term credit guarantees for emerging democracies. (Section 1522)

The House amendment provides that the Secretary, in order to develop, maintain, or expand markets for U.S. agricultural exports, is directed to make available to emerging democracies the expertise of the U.S. to make assessments of the food and rural business systems needs. The Secretary must provide assistance of not more than $10,000,000 for each fiscal year and must implement this subsection with respect to at least 3 emerging democracies in each fiscal year.

Experts making the assessments must prepare such reports as the Secretary may designate, the Secretary must annually submit to the Agriculture Committees and the Committee on Foreign Affairs a report summarizing the assessments and recommendations prepared, and the Secretary must also make the assessments and recommendations available to the public. (Section 1231)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision limiting funding to $5 million annually. (Section 1522)

The House amendment provides that in carrying out this program, the Secretary must ensure that the credits for which repayments are guaranteed under subsection (a) do not negatively affect the political and economic situation in emerging democracies by adding to their foreign debt burdens. The Secretary is required to report to Congress on this matter. An emerging democracy is defined as any country taking steps toward political pluralism, economic reform, respect for internationally recognized human rights and a willingness to build a friendly relationship with the U.S. (Section 1231)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision. (Section 1522)

147. Multilateral trade negotiations (S 1134)

The Senate bill states the sense of Congress that the objectives of the Uruguay round of negotiations on agriculture under the General Agreement on Tariffs and Trade (GATT) are to reform global agricultural trade and eliminate trade-distorting policies. The objective should be an agreement that provides U.S. agriculture the opportunity to compete fairly in international markets; permits U.S. farmers a safety net against market instability; assures consumers of adequate supplies of high quality, reasonably priced food; and meets humanitarian food needs. (Section 1134)

The President shall prepare a report on the details of any agreement on agriculture and how such an agreement meets the objectives and criteria of these provisions. Such report shall be submitted to Congress within 30 days after conclusion of the agreement.

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision stating the sense of the Senate. (Section 1539)

148. Triggered marketing loans (S 1135)

The Senate bill renews the triggered marketing loan provision of section 4301 of the Omnibus Trade and Competitiveness Act of 1988 through 1991. (Section 1135)

The House provides no comparable provision.

The Conference substitute deletes the Senate provision.

149. Study of North American Free Trade Area (H 1241)

The House amendment requires the Secretary to study the effects on the U.S. agricultural economy of the creation of a North American free trade area, including the creation of a U.S.-Mexico free trade area, by May 31, 1991. [Section 1241]

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision changing the due date of the report to March 31, 1991. (Section 1551)

The Managers intend that such a study look at, among other things, the trade and non-trade barriers to expanded U.S.-Mexico, and U.S.-Mexico-Canada agricultural trade and how such trade would be modified or eliminated under a bilateral or trilateral free trade arrangement.

Possible elements of bilateral and trilateral trade, such as converting non-tariff barriers into tariffs, modifying and/or harmonizing sanitary and phytosanitary regulations, especially for livestock and horticultural products, and establishing binational or trinational procedures for consultation and dispute settlement mechanisms in agriculture need to be analyzed and their impacts assessed.

The study must also consider how an FTA or NAFTA could be affected by agreements that may be reached in the current Uruguay Round of trade negotiations at the General Agreement on Tariffs and Trade (GATT).

150. Report on wood and fish export promotion (H 1242)

The House amendment requires the Secretary to report on the use and participation of wood and fish and their products in the export promotion programs within 180 days. [Section 1242]

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

151. Rose and flower study (H 1243)

The House amendment provides for the study of the impact of consignment sales of foreign flowers on the domestic cut flower industry within 6 months. [Section 1243]

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision. (Section 1552)

The Managers encourage the Secretary to consider the importance of this report to the industry and give it priority consideration in the Secretary's determination of studies to undertake pursuant to section 1980 of this Act.

152. Commodity transportation and technology assessment report (H 1244)

The House amendment provides for the assessment of the impact upon producer prices, consumer costs, and exports of the current agricultural transportation situation, focusing on rail transportation within 240 days. The Secretary shall consult with rail, truck and water-bourn carriers. The Secretary is authorized to expend such sums as may be necessary from any unobligated funds appropriated to the Department of Agriculture to carry out this assessment and report. [Section 1244]

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with a requirement that funds to carry out this section must be appropriated. (Section 1553)

The Managers acknowledge that disruptions and delays in transportation for agricultural commodities have a costly impact on prices received by producers, prices paid by consumers, and further inhibit efforts to compete in export markets.

At the present time, farmers, cooperatives, and local elevator facilities are often forced to wait for weeks in order to obtain rail transportation for their goods. Substantial financial losses may result when commodities cannot be shipped to a buyer or export terminal at a higher market price conditioned on receipt of shipment within a specified time frame. Other factors such as rail abandonments and the more recent practice of rail carriers selling certificates of transportation (COTs)—which are a form of futures trading in equipment availability and pricing—are also having a dramatic impact on producers' ability to effectively market their commodities.

The Managers strongly urge the Secretary to thoroughly undertake this assessment and to include in this report specific suggestions which would accomplish the dual goals of enhancing and improving presently available modes of transportation, and also identifying economically viable intermodal alternatives (which may require new and innovative equipment designs). It is also anticipated that as producers, marketers, exporters, and transportation firms are provided in the future with access to a nationwide agricultural computer network system, the efficient transportation of commodities can be further enhanced through data-based matching of potential cargoes with the availability of intermodal transportation carriers which may utilize either traditional or innovative designs of equipment. This topic should also be addressed in the final report.

153. Red tart cherry study (H 1245)

The House amendment provides for the study of international trading practices in cherries and cherry products on the domestic red tart cherry industry within 240 days. A sense of Congress is included to assist the industry in domestic and world markets. [Section 1245]

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

154. Report on section 22 suspension or termination (H 1246)

The House amendment provides for the study of the effects of repealing section 22 of the Agricultural Adjustment Act prior to such repeal. [Section 1246]

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision. (Section 1554)

155. Agricultural exports to the European Community (H 1247)

The House amendment provides findings on the E.C. integration plan to set agricultural product standards and requirements. Statements of policy are included regarding the effect of such standards on U.S. exports and to maintain such exports. [Section 1247]

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision. (Section 1555)

156. Language proficiency and evaluation of foreign agricultural service officers (H 1248)

The House amendment requires the Secretary to evaluate language proficiency of its Foreign Service Officers within 6 months. Directs FAS to give precedence in promotions to FSO's with language proficiency. [Section 1248]

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision. (Section 1556)

157. Prohibition on the use of programs with respect to the export of certain commodities and products (H 1249)

The House amendment prohibits the use of export promotion programs for assisting cigarette, or tobacco product exports. [Section 1249]

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

158. Use of economic assistance funds for agricultural and industrial alternative to narcotics production in major coca producing countries (S 1111; H 1251)

The House amendment waives Foreign Assistance restrictions on promotion of agricultural commodities in coca producing countries. [Section 1251]

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision. (Section 1544)

159. World livestock market price information (S 1136)

The Senate bill provides that the Secretary determine the world price of livestock and livestock products. The Secretary shall gather and analyze the appropriate price and cost of production information to aid in price discovery and exports of U.S. livestock and livestock products. The price information shall be published within 8 months and periodically thereafter. (Section 1136)

The House amendment contains a similar provision providing for publication of such information periodically. (Section 201)

The Conference substitute adopts the Senate provision. (Section 1545)

160. Sense of Senate concerning rebalancing proposal of the European Community (S 1137)

The Senate bill outlines the Congressional findings that the success of the GATT agriculture negotiations are important to world agricultural trade and U.S. exports, as have been past negotiations that have established more market-oriented trade. Countries have committed to substantial and progressive reductions in agricultural protection and support in the GATT negotiations. It is the sense of the Senate that the EC's proposed rebalancing is fundamentally at odds with the goal of liberalizing world agricultural trade and eliminating trade-distorting policies. Rebalancing could have a particularly severe impact on U.S. exports of corn gluten feed and oilseeds. The United States should forcefully reject rebalancing in the GATT negotiations. (Section 1137)

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision making the provision a sense of Congress. (Section 1555)

Subtitle D

161. Conforming Provisions and Technical Changes (S 1141–1147; H 1221)

The Senate bill provides that sections 1141 through 1147 provide technical amendments as a result of this legislation to the Omnibus Trade and Competitiveness Act of 1988, the Food Security Act of 1985, the Agriculture and Food Act of 1981, the Food for Peace Act of 1966 and the Agricultural Act of 1949, the Agricultural Act of 1956 and the Agricultural Technical Corrections Act as follows:

Strikes following sections of 1988 Trade Bill:

Sec. 4201. Long Term Agricultural Trade Strategy Reports (7 U.S.C. 5211)(transferred)

Sec. 4202. Technical Assistance in Trade Negotiations (7 U.S.C. 5212)(transferred)

Sec. 4205. Contracting Authority to Expand Agricultural Export Markets (7 U.S.C. 5215)(transferred)

Sec. 4206. Establishment of Trade Assistance Office (7 U.S.C. 5216)(transferred)

Sec. 4211. Personnel of the Foreign Agricultural Service (7 U.S.C. 5231)(restated)

Sec. 4212. Agricultural Attache Educational Program (7 U.S.C. 5232)(transferred)

Sec. 4213. Personnel Resource Time

Sec. 4305. Export Credit Guarantee Program (7 U.S.C. 1736(t), note); and

Sec. 4311. Food Aid and Market Development (7 U.S.C. 1691 note).

Strikes following sections of FSA of 1985:

Sec. 1124. Targeted Export Assistance Program

Sec. 1125. Short-term Export Credit (transferred)

Sec. 1127. Export Enhancement Program
Sec. 1128. Poultry, Beef and Pork Meats and Meat-Food Products, Equitable Treatment
Sec. 1132. Agricultural Attache Reports (transferred)
Sec. 1151. Trade Consultations (transferred)
Sec. 1162. Assessment of Export Displacement; and
Sec. 1167. Barter (restated).

Strikes following sections of the Agriculture and Food Act of 1981:

Sec. 1203. Special Standby Export Subsidy Program
Sec. 1204. Agricultural Embargo Protection (transferred); and
Sec. 1205. Development of Plans (transferred).

Sec. 4 of the Food for Peace Act of 1966, sec. 416(d) of the Agricultural Act of 1949, sec. 201 of the Agricultural Act of 1956, and sec. 13 of P.L. 101-220 are repealed.

The House amendment makes technical and conforming amendments as follows:

The provisions of section 103 of the Agricultural Trade Act of 1978 (as amended by section 1221) shall apply to proposals pending or received on or after the date of enactment of this Act.

The Secretary shall promulgate regulations to implement section 301 of the Agricultural Trade Act of 1978 (as amended by this title) no later than 180 days after the date of enactment of this Act.

Section 812 of the Agricultural Act of 1970 (7 U.S.C. 612c-3) is repealed.

Effective October 1, 1991, sections 1124 and 1127 of the Food Security Act of 1985 (7 U.S.C. 1736s and 1736v) are repealed.

Section 1165 of the Food Security Act of 1985 is repealed.

Section 4201 of the Agricultural Competitiveness and Trade Act of 1988 is repealed.

In general, this title and the amendments made by this title shall take effect on October 1, 1990, and shall be effective only for fiscal year 1991 and thereafter.

The Conference substitute adopts the Senate provisions and repeal of Section 1165 of the Food Security Act as contained in the House amendment. (Sections 1541, 1142, 1143, 1144, 1145, 1146, 1147, and 1148)

162. Soviet Union bank loans. [S 1975]

The Senate bill prohibits any U.S.-insured financial institution from providing credit to the Soviet Union unless credit is to purchase U.S.-produced agricultural products or the interest rate is equal to or greater than the interest rate generally provided to U.S. farmers. (S. 1975)

The House amendment provides no comparable provision.

The Conference substitute deletes the Senate provision.

163. Iraq sanctions, title XXIII, [H 1224, 1225]

The Senate bill provides sanctions on trade with Iraq. (S. title XXIII)

The House amendment prohibits export promotion programs for trade with countries that (1) lack respect for internationally recognized human rights, (2) acquire chemical, biological, and nuclear weapons and has not forsworn first use of such weapons, (3) lack commitment to Geneva Protocol on use of gas or bacteriological weapons, or (4) support international terrorism, unless impact of restrictions on credit would hurt U.S. farmers more than the offending country.

The Conference substitute deletes both provisions.

The Managers note that the House bill contains a provision prohibiting agricultural credit guarantees and commercial export promotion programs to countries that violate human rights, have acquired chemical, biological and nuclear weapons, do not abide by the 1925 Geneva Protocol on chemical and biological weapons and that support terrorism. As written the prohibition would currently apply only to the country of Iraq.

A second House provision provides a waiver of these sanctions if the Secretary of Agriculture finds that they would have the effect of reducing U.S. exports of agricultural commodities while those commodities remain available to Iraq from other, non-U.S. sources. Furthermore, the imposition of the restrictions would be delayed until the Secretary has studied their impact and determined whether they would have a greater negative effect on U.S. farmers than upon Iraq.

The Senate bill contains no similar provision in this title, and the Conference substitute is the same as the Senate position.

The Managers adopted the Senate position because the need for such prohibitions are fully addressed in the Sanctions Against Iraq Act of 1990 and, because a prohibition on agricultural credit guarantees and commercial export promotion programs would result in a negative agriculture budget score of $1.6 billion.

The Managers wish to emphasize that the deletion of the provisions is not to be construed as opposition to strong measures against the country of Iraq. Indeed, the Managers are in full support of both the President's Executive Order imposing comprehensive sanctions on Iraq and the Sanctions Against Iraq Act of 1990.

164. Use of Economic Assistance Funds for Agricultural and Industrial Alternatives to Narcotics Production in major coca producing countries

The House amendment provides that the President may provide economic assistance for a country which, because of its coca production, is a major illicit drug producing country (as defined in the Foreign Assistance Act of 1961) to promote the production of products which can be economically produced in such country, notwithstanding the provisions of law that would otherwise restrict the use of economic assistance funds, including sections 521, 546, and 547 (but excluding section 510) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990, and comparable provisions of subsequent Acts appropriating funds for foreign operations, export financing, and related programs.

Economic assistance is defined as assistance under chapter 1 of part 1 of the Foreign Assistance Act of 1961 and assistance under chapter 4 of part II of that Act.

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

Great Lakes

Both the Conference substitute adopts identical provisions of both the Senate bill and the House amendment to permit the designation of "American Great Lakes Vessels" which would be exempted from the 3-year restriction for vessels built, rebuilt, or documented outside the United States from carrying preference cargoes.

The House provision that allowed such Great Lakes Vessels to apply for, and be granted, an operating differential subsidy by the U.S. Maritime Administration was deleted.

Both the House and Senate versions limited the carriage of commercial bulk cargoes, but the conference report places no restrictions on the carriage of commercial bulk cargoes by these vessels.

A provision which was not in either bill was added to assure that the exemption from the 3-year restriction only applies while the vessel is designated as a Great Lakes Vessel.

Provisions regarding the age of vessels that were identical in both bills were modified to state that to be designated an American Great Lakes Vessel, a vessel (1) cannot be more than 6 years old and not less than 1 year old on the effective date of the designation, or (2) the vessel cannot be more than 11 years old and not less than 1 year old on the effective date of the designation, and the Secretary determines that suitable vessels are not available for providing the type of service for which the vessel will be used, and the vessel could not have been previously designated an American Great Lakes Vessel.

Both bills had identical provisions restricting such vessels from engaging in trade with Canadian Great Lakes ports, and in the conference report this restriction has been deleted.

The requirement that repairs to such vessels be conducted in U.S. shipyards, which was included in both bills, was deleted by conferees.

The House amendment included provisions requiring that the same tonnage level of bagged, processed, and fortified P.L. 480 title II commodities shipped from Great Lakes ports in 1984 be shipped from these ports in 1991. This tonnage would be phased down from 1992 through 1995. The Senate bill did not include a similar provision and this provision was deleted in conference.

The Senate bill included provisions changing the current procedures for allocating title II bagged, processed, or fortified products, which was adopted in conference with several amendments. Instead of expiring in 1985, as in the Senate bill, this provision has no termination date.

Further, in the conference report the Commodity Credit Corporation (CCC) would be required to take such steps as may be necessary and practicable without detriment to any port range to allocate, on the principle of lowest landed cost without regard to the country of documentation of the vessel, 50 percent of the bagged, processed, or fortified commodities furnished pursuant to title II of P.L. 480. In the Senate bill, the Secretary of Transportation was granted this authority. The Senate bill did not have the words "without regard to the country of documentation of the vessel."

The Senate capped the amount that could be allocated to Great Lakes ports under these new allocation procedures at a level equal to the metric tonnage or the percentage share, whichever is lower, received by the Great Lakes port range in 1984, as determined by the Secretary of Agriculture. The Conference report caps the amount the Great Lakes can receive at a level not greater than the share experienced by that port range in 1984.

The Conference report adds a further provision to these new allocation procedures. Amounts of cargo allocated to ports in the Great Lakes port range under these procedures shall not be exported from a different port range except as necessary to meet U.S.-flag transportation requirements, in which case are necessary and practicable without detriment to any port range to ensure the export from the Great Lakes port range of an amount of tonnage of title II bagged, processed, or fortified commodities that is not required to be transported on U.S.-flag vessels, that is equal to the amount diverted for export from other port ranges. The conference report further provides that any determination of non-availability of United States-flag vessels resulting from the application of this new allocation procedure shall not reduce the gross tonnage of commodities required by the government-impelled preference laws to be transported on United States-flag vessels.

The Managers added a new section, which was not in either bill, requiring the Secretary of Transportation, in consultation with the Secretary of Agriculture, to conduct a study on the implementation of these new provisions and report to Congress not later than December 31, 1994, on (1) the effects of these new provisions on diversions of cargo to and from the Great Lakes port range and any resulting effects on the cost of transporting commodities, and (2) whether the authority to designate vessels as American Great Lakes Vessels has increased U.S.-flag vessel service to Great Lakes ports.

The definition of "lowest landed cost" included in the Senate bill, but not in the House amendment, was deleted.

TITLE XVI—RESEARCH

The Managers note that throughout this title whenever the term land grant colleges and universities appears it is meant to include 1890 colleges, including Tuskegee University.

The Managers note that unless otherwise specified institutions eligible to compete for grants include: State agricultural experiment stations; all colleges and universities including land grant colleges and universities; other research institutions and organizations; Federal agencies; private organizations or corporations; and individuals.

Subtitle A—Extensions and Changes to Existing Programs

Sec. 1601. Increased authorizations for, and the extension or repeal of, existing programs

(1) General Authorization of Appropriations (S 1414; H 1301(b)(4))

The Senate bill increases and extends the authorizations for the Agriculture Research Service (ARS), the Cooperative State Research Service (CSRS), the Extension Service (ES), and other general research programs.

The Senate bill authorizes the ARS and various other research programs at $730,000,000 for each of the fiscal years 1991 through 1995. The Senate provision further stipulates that beginning in fiscal year (FY) 1994, not less than 20 percent of the ARS appropriation shall be used for research directed at increasing the demand or utilization of farm or forest products, with special emphasis on the development of new nonfood uses. The Senate bill authorizes CSRS funding at $310,000,000 for each of the fiscal years 1991 through 1995 and authorizes the following amounts for the Extension Service: $420,000,000 for FY 1991; $430,000,000 for FY 1992; $440,000,000 for FY 1993; $450,000,000 for FY 1994; and $460,000,000 for FY 1995.

The House amendment also increases and extends the authorizations for ARS, CSRS and Extension Service. The House amendment authorizes ARS and various other research programs at $850,000,000, CSRS at $310,000,000, and the Extension Service at $420,000,000 for fiscal years 1991 through 1995. The House amendment provides for a five-year pilot project to make grants to two states to implement a plan to improve coordination and efficiency in delivery of nutrition education and to evaluate the results. One-half of one percent of the Extension Service funds each fiscal year are earmarked for the purpose of implementing this project.

The Conference substitute adopts the Senate provision with an amendment which: provides $850,000,000 for each fiscal year for ARS and various other programs; deletes the earmark of 20 percent within the ARS budget for utilization research; and removes the Extension Service nutrition pilot program earmark, thereby making the pilot program free-standing and authorized at such sums as are necessary.

(2) Supplemental and Alternative Crops (S 1489; H 1301(b)(5))

The Senate bill extends the Supplemental and Alternative Crops program, which requires the Secretary to develop and implement a pilot research program to develop supplemental and alternative crops until October 1, 1991. Such sums as are necessary are authorized to be appropriated.

The House amendment extends this program until 1995.

The Conference substitute adopts the House provision.

(3) Rangeland Research (S 1420; H 1301(b))

The Senate bill extends the Advisory Board and authorization of appropriations until 1995. A study on the impact of rangeland carrying capacity during drought is also authorized.

The House amendment contains the same provision without the study.

The Conference substitute adopts the House amendment.

(4) Dairy Goat Research (H 1301(c))

The House amendment extends the Dairy Goat Research program until 1995.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

(5) Agriculture Materials Research

The Senate bill extends the Critical Agriculture Materials Act which directs the Secretary to carry out demonstration projects to promote the development or commercialization of critical crops until 1995. Such sums as are necessary are authorized.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(6) Findings (S 1406; H 1302)

The Senate bill streamlines the findings contained in the National Agricultural Research, Extension, and Teaching Policy Act of 1977 as follows:

(1) Federal support of agricultural research and extension has contributed to the development of agriculture;

(2) The existing agriculture research system must serve as the foundation for any further strengthening of agriculture research;

(3) Agencies conducting agriculture research were established at different times and need to be fully coordinated among themselves and with non-Federal activities;

(4) Long-range planning is a key element in meeting objectives of this Act;

(5) Agriculture research agencies have been only partially successful in responding to needs and should be more efficiently transferred;

(6) The agriculture system is increasingly dependent on science and technology;

(7) Expanded agriculture research is needed to meet rising demand for agriculture products;

(8) Advances in agriculture sciences are limited by periodic imbalances between thorough development of known principles and concentration on basic research;

(9) Federal funding levels for agriculture research have not been commensurate with needs;

(10) It is the policy of the U.S. to support food and agriculture research, extension, and teaching;

(11) The partnership between the Federal Government and individual states has provided the U.S. with the most productive and efficient food and agriculture system in the world;

(12) The U.S. food and agriculture system is the basis of our national affluence;

(13) The agriculture system must be maintained and constantly adjusted;

(14) National support for the agriculture system must be reaffirmed and strengthened;

(15) Continuing or increased efforts in agriculture sciences are needed in six broad areas which are listed;

(16) The implications of economic and scientific globalization of agriculture are immediate, and of great consequence for producers and consumers. The U.S. must participate in a global network of science and education;

(17) There are some schools (primarily those with minority enrollments) that are uniquely in a position to help USDA

meet its mandate in training. USDA initiatives to benefit students are a national need; and

(18) The 1989 National Research Council report Investing in Research, identified an urgent need for further investment; agriculture research opportunities must be seized.

The House amendment contains similar findings with the differences being that Senate findings 16, 17, and 18 are deleted and the following two additional findings are added:

(1) Efforts should be directed toward the development of integrated production systems which are profitable, environmentally and agronomically sound, offer diverse production and market options, and increase rural economic and social vitality; and

(2) The Secretary of Agriculture should seek, on an annual basis, the assistance of the Board on Agriculture of the National Academy of Sciences, in identifying: science and technical opportunities, training and manpower needs; opportunities to advance sustainability and profitability; applications to enhance safety and nutritional attributes of food; and factors underlying the long-run international competitiveness of agriculture.

The Conference substitute deletes both the House and Senate provisions and amends current law by deleting existing findings.

(7) Research on Biomass

The Senate bill repeals the Biomass Research program.

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision, thereby repealing this program.

(8) Chapters 1–5 of Subtitle G—Solar Energy Programs (S 1489)

The Senate bill repeals certain solar energy program authorities.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision, thereby repealing the program.

(9) Technology Development for Small- and Medium-Sized Farming Operations (S 1489; H 1301(4))

The Senate bill repeals the technology development for small- and medium-sized farming operations program and a statement regarding the sense of Congress concerning the importance of such farming operations.

The House amendment extends the program until 1995.

The Conference substitute adopts the Senate provision, thereby repealing this section.

(10) Special Technology Development Research Program (S 1489)

The Senate bill repeals the special technology development research program which authorizes the Secretary to make available funds or in-kind assistance to private agencies, organizations, or individuals sharing in research projects or using federal research facilities to develop new agriculture technology.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision, thereby repealing the program.

Sec. 1602. Purposes of agricultural research and extension system

(11) Priorities for Agriculture Research and Extension System (S 1408)

The Senate bill amends existing law by adding a new section on purposes. The Senate bill provides objectives for the agricultural research and extension system that the Joint Council, the Users Advisory Board, the Technology Board and others will use to assess the success of the system. The section states that the primary purpose of basic and applied agriculture research and extension is to: (1) enhance the sustainability and competitiveness of the food production and agriculture system of the U.S.; and (2) ensure, to the extent practicable, that it maximizes competitiveness and the social, environmental, human health and food security interests of the United States.

Specific purposes, subject to varying conditions and needs of states, include that agriculture research shall, among other things:

(1) increase employment opportunities in agriculture and rural communities; strengthen the family farm system; enhance the competitiveness of small and moderated-sized owner-operated farms; contribute to more equitable rural, social, and economic structure; and enhance social and economic vivacity and quality of life of rural communities;

(2) protect the environment, including reducing soil erosion, enhancing the wildlife habitat, and protecting water from pollution;

(3) enhance human health by fostering the availability and affordability of a safe, wholesome, nutritious food supply and by developing farming systems without adverse impacts on health;

(4) ensure long-term food security by reducing reliance on consumptive use on nonrenewable resources, protecting natural resources, maintaining genetic diversity, and developing farming systems capable of meeting future food and farm product needs;

(5) enhance the efficiency, profitability and competitiveness of U.S. agriculture by the development of production systems that address constraints faced by producers and at reduced production costs; or

(6) enhance the efficiency, profitability and competitiveness of U.S. agriculture by the development of more efficient processes, new uses for existing crops, or new and alternative crops as industrial raw materials.

The Senate bill states that research should emphasize:

(1) the development of farming systems that take greater advantage of natural processes and beneficial on farm biological interactions;

(2) agroecology research;

(3) genetics research that enhances management options, farm productivity, use of inputs, and diversity of products marketed by farmer;

(4) development of farming systems appropriate to an era of climatological uncertainty;

(5) increasing demand for current farm products and new crops and products that are socially, economically, and environmental advantageous;

(6) increasing the profitability and productivity of soil conserving land uses and farming systems;

(7) developing rural development strategies and extension programs to disseminate such strategies;

(8) transferring new technology to the agriculture community and especially small and moderate sized farms and minority farmers;

(9) extension programs that are adequately funded and staffed and involve a broad range of interested individuals;

(10) programs to strengthen international agriculture research, extension and education in USDA, and universities, land grants, and in cooperation with AID;

(11) plant and animal genome mapping and preservation of valuable germplasm; and

(12) research that develops technology to ascertain the lean content of animal carcasses.

The Senate bill provides that not later than 18 months after enactment, the Secretary shall promulgate regulations interpreting and applying the purposes to agriculture research and extension projects administered by the Secretary. All projects $10,000 or more funded by USDA shall identify the purposes that project seeks to further and the effects of the project on the priorities in this title and the annual Joint Council and Users Advisory Board priorities. This does not override requirements for specifying objectives of projects funded by formula funding.

The House amendment contains no comparable provision

The Conference substitute adopts the Senate provision with an amendment substituting new purpose language and deleting the regulatory requirement. Subject to the varying conditions and needs of States, Federally funded agricultural research and extension programs shall be designed to, among other things, accomplish the following:

(1) continue to satisfy human food and fiber needs;

(2) enhance the long-term viability and competitiveness of the food production and agricultural system of the United States within the global economy;

(3) expand economic opportunities in rural America and enhance the quality of life for farmers, rural citizens, and society as a whole;

(4) improve the productivity of the American agricultural system and develop new agricultural crops and new uses for agricultural commodities;

(5) develop information and systems to enhance the environment and the natural resource base upon which a sustainable agricultural economy depends; or

(6) enhance human health by: (a) fostering the availability and affordability of a safe, wholesome, and nutritious food supply that meets the needs and preferences of the consumer; and (b)

assisting farmers and other rural residents in the detection and prevention of healh and safety concerns.

The Managers note that it is their intent that the Secretary establish guidelines to ensure that the purposes expressed in this section are reflected in the priority setting processes for research and extension programs such that projects consistent with these purposes are emphasized and each of these purposes is advanced by the research and extension program in its entirety. However, in recognition of the importance of academic freedom, the Managers also emphasize that it is not their intent that this statement of purposes be used to prohibit any research or line of inquiry.

Sec. 1603. Definitions

(12) Definitions (S 1407; H 1303)

The Senate bill adds one definition to the National Agricultural Research, Extension, and Teaching Policy Act of 1977 for Technology Board which means the Agricultural Science and Technology Board established in this title.

The House amendment adds one definition to the National Agricultural Research, Extension, and Teaching Policy Act of 1977 for sustainable agriculture which means an integrated system of plant and animal production practices having a site-specific application that will, over the long-term: (1) satisfy human food and fiber needs; (2) enhance environmental quality and the natural resource base upon which the agricultural economy depends; (3) make the most efficient use of nonrenewable resources and on-farm resources and integrate, where appropriate, natural biological cycles and controls; (4) sustain the economic viability of farm operations; and (5) enhance the quality of life for farmers and society as a whole.

The Conference substitute adopts the House provision with an amendment adding the definition for Technology Board as provided in the Senate bill.

Sec. 1604. Joint Council on Food and Agricultural Sciences and National Agricultural Research and Extension Users Advisory Board

(13) Joint Council on Food and Agricultural Sciences (S 1409; H 1304)

The Senate bill extends the Joint Council on Food and Agricultural Sciences (Joint Council) until 1995, alters its structure, and adds new responsibilities.

The Senate bill calls for not less than 19 members: a representative of the National Institutes of Health; a representative of the National Science Foundation; a representative of the Department Of Energy; a representative of the Environmental Protection Agency; the Administrator of ARS; the Administrator of CSRS; the Administrator of ES; the Administrator of the Economic Research Service; the Chief of the Forest Service; the Director of the National Agriculture Library; the Assistant Secretary for Economics; the Assistant Secretary for Science and Education; a representative of the Experiment Station Committee on Policy; a representative of the Extension Committee on Policy; a representative of the Resident Instruction Committee on Policy; a representative of the International Committee on Policy; a representative of 1890 schools; a representative of the American Association of Schools and Colleges of Agriculture and Renewable Resources; a representative of the Council of Administrative Heads of Agriculture. One member of the Council shall be elected annually to serve as liaison to the Users Advisory Board. Co-chairpersons shall be the Assistant Secretary of Science and Education and a representative of the land grant colleges. The Secretary may appoint up to six additional members.

The Senate bill adds several responsibilities of the Joint Council to those in current law. The Council must: provide an annual review and prioritize requests for agriculture-related special research and construction grants; analyze budgets and make budget recommendations for agriculture research upon recommendation of the Users Advisory Board; determine high priority research areas with particular attention being paid to the potential of such to advance the purposes expressed in this title; and review the effectiveness of the system concerning all Federally supported agriculture research or extension projects.

The Senate bill maintains the reporting requirements in current law with the additional requirement that the reports cover research activities in other Federal agencies that conduct agricultural research and that such reports be submitted to Congress and the directors of Federal agencies that support agriculture research.

The Senate bill provides that technical panels may be established as needed to assist the Council. The duties of such panels are to define research and technology transfer needs; delineate alternatives and recommend research and technology transfer approaches; identify centers of expertise; and make recommendations regarding the overall mix of available funding. Panels shall include experts from the public and private sector, including basic science; applied research, education, economic and social dimensions.

The House amendment includes a similar provision to extend the Joint Council until 1995 and alters its structure and responsibilities.

The House amendment requires that the Joint Council consist of not less than 21 members: six representatives from State cooperative institutions (including at least one from 1890 institutions); four representatives from public colleges and universities with demonstrable capacity in food and agriculture research, extension, and teaching; a representative from colleges and universities conducting agriculture research; three representatives from private organizations or corporations (including one representative from food technology); a representative from foundations; a representative from farmers; a representative from the Office of Science and Technology Policy; two representatives from other Federal agencies; one representative from the National Academy of Sciences.

The report requirement of the House amendment is similar to the Senate provision. The existing exemption from the Federal Advisory Committee Act is retained. No provision for technical panels is provided. No new responsibilities are added. Co-chairpersons shall be the Assistant Secretary of Science and Education and person elected from among the non-Federal membership of the Joint Council.

The Conference substitute adopts the Senate provision an with amendment. The membership of Joint Council consists of not less than 21 members: six representatives from State cooperative institutions (including at least one from 1890 institutions); four representatives from agencies within the Department of Agriculture which have significant research, extension, and teaching responsibilities; a representative from public colleges and universities with demonstrable capacity in food and agriculture research, extension, and teaching; a representative from colleges and universities conducting food and agriculture research; three representatives from private organizations or corporations (including one representative from food technology); a representative from foundations funding research in food and agricultural sciences; a representative from farmers; a representative from the Office of Science and Technology Policy; two representatives from other Federal agencies; and a representative from the National Academy of Sciences. The Joint Council shall be jointly chaired by the Assistant Secretary for Science and Education and a person elected from among the non-Federal membership of the Joint Council.

The Managers note that while the Conference substitute does not specifically designate a representative from the American Association of Schools and Colleges of Agriculture and Renewable Resources it is expected that such a representative will continue on the Joint Council as the representative from public colleges and universities having a demonstrable capacity to carry out food and agricultural research, extension, or teaching.

(14) National Agricultural Research and Extension Users Advisory Board (S 1410; H 1314)

The Senate bill extends the Users Advisory Board (UAB) until 1995 and alters its structure and responsibilities. The Secretary is required to appoint 21 members to serve staggered terms: a producer from farm cooperatives; two producers from general farm organizations; four producers representing agriculture commodities, forest and aquacultural product groups from various geographic regions; a representative of agriculture farm suppliers; a representative of food and fiber processors; an animal health representative; 1 transportation representative; a labor representative; a food marketing representative; a representative of private nonprofit organizations involved in agriculture research; a private sector representative involved with developing countries; a representative of non-research agencies of USDA; a rural develop representative; a human nutrition representative; two consumer representatives with one from nonprofit consumer advocacy organizations; and an environmental representative from a nonprofit environmental protection organization. The UAB shall elect one member to serve as liaison to the Joint Council.

The Senate bill requires that the UAB meet a sufficient number of times each year to carry out responsibilities. Three responsibilities of the UAB are added to existing law. The UAB shall: (1) provide recommendations on allocation of agriculture research funds to Federal agencies and private organizations who contribute to agriculture research as well as to the Secretary; (2) identify emerging issues and suggest solutions to technical transfer problems; and (3) evaluate the results and effectiveness of agriculture research programs in meeting priorities established in this title.

The Senate bill requires that the UAB provide an oral briefing for the Secretary and an annual report of recommendations concerning: (1) allocations of responsibility and funding; (2) the effectiveness of the system and the coordination of Federal and private research initiatives; (3) new research and extension programs that need to be conducted; (4) public/private research and extension systems. The report shall be submitted to the Secretary and the appropriate committees of Congress.

The Senate bill requires that each UAB report list the membership of the UAB, including the organizational and employment affiliation of each member. The Secretary shall submit a report to House and Senate Agriculture Committees that describes the manner in which the UAB recommendations have been incorporated.

The House amendment is the same as the Senate bill with three differences: (1) the provision requiring UAB to elect a liaison to the Joint Council is deleted; (2) no liaison to the Joint Council is required; and (3) the Secretary is directed to provide support to the UAB as required.

The Conference substitute adopts the House provision.

Sec. 1605. Agricultural Science and Technology Review Board

(15) Technology Assessment (S 1411-13; H 1309)

The Senate bill establishes a new Agriculture Science and Technology Review Board. The purpose of the Board is to provide technical assessment of agriculture science issues and to consider the impact of technologies on agriculture and the social and economic wellbeing of communities. The Secretary, acting through the Joint Council, shall establish the Board.

The Senate bill requires that 11 members be appointed by the Secretary for staggered three-year terms who have expertise in: technology assessment; environmental sciences; rural sociology; international issues; social sciences; agriculture sciences; and technology transfer. The Board shall include representatives of: ARS; CSRS; ES; private foundations and nonprofit organizations; private firms; and the Land Grant System. A majority of the Board shall be from the private sector. The Board shall select a chairperson from its membership.

The Senate bill requires that the responsibilities of the Board shall include: providing technology interpretation and translation of current and emerging agriculture and environmental science issues for use by the Joint Council and UAB; and providing technology assessment of current and emerging public and private agriculture research and technology transfer initiatives.

The Senate bill calls for an annual report that includes recommendations on how research would be best directed to advance priorities established in this title, and an assessment of activities conducted by the Secretary and agriculture research universities and the private sector. The report is submitted to appropriate Committees of Congress; the Secretary, heads of Federal agencies who support agriculture research, and on request, to private organizations who have a significant involvement in agriculture research.

The House amendment establishes a new Joint Contract for Assessment of Food and Human Nutrition Research. The Secretary and the Secretary of Health and Human Services shall jointly contract with a scientific body to conduct an assessment of: progress in food science and nutrition research; the practical importance of such research to economic and societal wellbeing; priorities for future directions for research; and the supply of scientists in relevant disciplines. The scientific body shall make recommendations for the role of all Federal agencies supporting food and nutrition research.

The Conference substitute adopts the Senate provision with an amendment that strikes rural sociology from the areas of required expertise and deletes the statement that the Board may conduct an assessment of a private sector entity only to the extent that the entity is willing to cooperate in the assessment. A new section is added which provides that the Board may conduct assessments to consider the extent to which agricultural research and extension programs foster:

(A) the development of farming systems that most effectively take advantage of natural processes and beneficial biological interactions and other sustainable agriculture techniques;

(B) genetics research that result in crop varieties and livestock that enhance management options, farm productivity, use of inputs, and a diversity of products that can be marketed by the farm operator;

(C) research to develop farming systems appropriate to climatological uncertainty;

(D) research to increase the demand for current farm products, and to develop new farm crops and enterprises that are economically, and environmentally advantageous and enhance agricultural diversity;

(E) research to enhance economic and societal wellbeing;

(F) research that develops rural economic development strategies that build on the entrepreneurial skills, self-employment tradition, and the resource base of rural communities and extension programs to disseminate those strategies;

(G) innovative extension and education programs that transfer new technology to the rural community including small- and moderate-sized family farmers and potential beginning and minority farmers with limited resources; and

(H) extension programs that substantially involve a broad range of interested individuals, commodity groups, agri-industry groups, farm groups, rural organizations, community groups, farmworkers, and environmental organizations to broaden input into research and extension priority setting.

Sec. 1606. National Agricultural Library

(16) National Agricultural Library (S 1419; H 1335)

The Senate bill establishes the National Agricultural Library (NAL). The purpose of this section is to consolidate and expand the statutory authority of the NAL to serve as the Nation's primary agriculture information resource.

The Secretary shall appoint a Director of the NAL who shall be responsible for managing the NAL. The Director may make copies and other reproductions of library materials and provide library services for sale at prices not less than the estimated cost of the service. The funds from NAL sales shall be available for use by the NAL.

The Senate bill states that the Director may work with and receive funds from any State or other entity to carry out this section. Such sums as may be necessary are authorized to be appropriated.

The House amendment is similar to the Senate provision with several differences. The NAL is authorized to dispose of unneeded materials. The Secretary is authorized to issue rules pertaining to the NAL. No authorization for sale of materials is authorized. The House amendment provides that the Secretary must establish a nine member Board of Regents to advise on the NAL. The Board of Regents is exempted from the Federal Advisory Committee Act. Such sums as necessary are authorized for construction and equipment of the NAL, with a cap of $500,000 on planning and $5,000,000 for construction.

The Conference substitute adopts the Senate provision with an amendment deleting the findings.

Sec. 1607. Grants to enhance research capacity in schools of veterinary medicine

(17) Veterinary Medicine Facilities Grants (H 1306)

The House amendment amends the existing grant program that provides competitive grants to States for the purpose of meeting the costs of renovation and construction and other activities in order to improve schools of veterinary medicine. The Secretary is authorized to set aside a portion of funds appropriated for the award of grants to eligible colleges to achieve full participation of minority groups in the Nation's veterinary schools. The clinical training of any school improved under this program shall emphasize care and preventive medical programs for food animals and companion animals, including horses, which support industries of major economic importance.

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment deleting construction from the purposes for which grants may be used.

Sec. 1608. Grants and fellowships for food and agricultural sciences education

(18) Grants and Fellowships for Food and Agricultural Sciences Education (S 1418; H 1307)

The Senate bill amends current law to revise the grant and fellowship program by adding the following:

(1) The Secretary may set aside a portion of the funds appropriated for grants to colleges and universities that have unique capa-

bilities to teach food and agriculture sciences and achieve the objective of full representation of minority groups.

(2) The Secretary may set aside funds for grants to students to pursue agriculture science careers in order to address the increasing national need for trained professionals and scientists in agriculture.

(3) The Secretary shall conduct programs to develop, analyze, and provide data and information essential to the evaluation of the quality of teaching programs.

(4) The Secretary may conduct continuing education special programs with colleges and universities and organizations in the private sector by providing grants and technical assistance.

(5) This assistance may be used to conduct undergraduate scholarship programs.

A new teaching awards program is established. At least one cash award annually shall be given to an individual selected by the Secretary in recognition of excellence in teaching a food and agriculture science at a college or university within each of six regions designated by the Secretary.

The Senate bill establishes an authorization level at $70,000,000 for each fiscal year 1990 through 1995, of which $10,000,000 annually shall be used for national needs fellowships.

The House amendment extends and revises the grant and fellowship program. The House amendment contains a similar provision with slight differences. The grant program is available to design and implement innovative education programs. The House amendment also provides for a teaching award, but no regions are established and the Secretary must make at least one annual award. No specific authorization is designated for national needs fellowships. The sum of $50,000,000 is authorized for each fiscal year 1990 through 1995.

The Conference substitute adopts the Senate provision with an amendment that adds as a purpose the design and implementation of innovative education programs, deletes the six regions for teaching awards, and authorizes $60,000,000 for each fiscal year 1990 through 1995.

Sec. 1609. Grants for research on the production and marketing of alcohols and industrial hydrocarbons from agricultural commodities and forest products

(19) Research on Alcohol and Industrial Hydrocarbons (S 1489, 1974; H 1308)

The Senate bill repeals the Research on Alcohol and Industrial Hydrocarbons program. The Senate bill establishes a new grain-based alcohol fuels research program which requires the Secretary, in consultation with the Department of Energy, to establish a program to find methods to use offgrade grain, and other agriculture crops and waste materials. The sum of $20,000,000 annually is authorized for fiscal years 1991 through 1995.

The House amendment extends and revises the authorization for grants for research on the production and marketing of alcohols and industrial hydrocarbons from agriculture commodities and forest products.

The Secretary shall award grants to colleges, universities, and Federal laboratories for the purpose of conducting research related to alcohol fuels; industrial oilseed crops; other forms of biomass fuels; other industrial hydrocarbons made from agriculture commodities and forest products; and the development of the most economical and commercially feasible means of producing, collecting, and transporting agriculture crops, wastes, residues, and byproducts for use as feedstocks for the production of alcohol and other forms of biomass energy and the development of new markets for byproducts.

The sum of $20,000,000 annually is authorized for fiscal years 1991 through 1995. Of the amounts appropriated in any fiscal year not less than 50 percent of those amounts shall be made available for grants for research relating to the development of technologies for increasing the energy efficiency and commercial feasibility of alcohol production.

The Conference substitute adopts the House provision.

Sec. 1610. Food Science and Nutrition Research Center

(20) Nutrition Research Center (S 1976; H 1305)

The Senate bill authorizes the Secretary to award a grant to a research facility that is part of a land grant college that benefits from a dedicated non-Federal nutrition endowment of at least $100,000,000 in order to establish at least one food science nutrition research center for the Southeast Region of the United States. Such sums as are necessary are authorized to be appropriated.

The House amendment expands the Federal-State partnership and coordination responsibilities of USDA to include a Cooperative Human Nutrition Center at the Pennington Biomedical Research Center of Louisiana State University.

The Conference substitute adopts the Senate provision.

Sec. 1611. Animal health and disease research study and Animal Health Science Research Advisory Board

(21) Animal Health and Disease Research Authorizations (S 1421; H 1301(b))

The Senate bill extends the authorization for the Animal Health Science Research Advisory Board and extends the authority of the Advisory Board to all animal health and disease programs under the Secretary.

The House amendment similarly extends the Animal Health Science Research Advisory Board until 1995. A member who represents an organization concerned with the general protection and well-being of animals is added to the Board. The House amendment requires the Board to meet at the call of the Secretary, but at least once annually, to advise the Secretary with respect to the implementation of all animal health and disease research programs.

The House amendment authorizes the Secretary to commission the National Academy of Sciences, working through the Board on Agriculture of the National Research Council, to conduct a study of the delivery system utilized to provide farmers and ranchers with animal care and veterinary medical services.

The Conference substitute adopts the House provision.

Sec. 1612. Grant programs for 1890 land-grant colleges, including Tuskegee University

(22) Institutions (S 1425; H 1301(d))

The House amendment requires the Secretary to make grants to 1890 institutions, including Tuskegee, that have a demonstrable capacity to carry out the teaching of food and agricultural sciences.

The House amendment states that grants shall be used to: (1) strengthen institutional educational capacities; (2) attract and support undergraduate and graduate students; (3) facilitate cooperative initiatives to maximize the development and use of resources; and (4) conduct undergraduate scholarship programs to assist in meeting national needs for training food and agriculture scientists.

The House amendment allows the Secretary to set aside a portion of the funds appropriated for grants and make such amounts available only for grants to eligible institutions that the Secretary determines have unique capabilities for achieving the objective of full representation of minority groups that are under-represented in the Nation's food and agricultural sciences workforce. The sum of $11,000,000 is authorized for each of the fiscal years 1991 through 1995 for this program.

The House amendment also authorizes $8,000,000 for each of the fiscal years 1991 through 1995 to be used for grants for the acquisition and improvement of facilities and equipment. Four percent of the sums appropriated shall be available to the Secretary for administration of this grants program. The remaining funds shall be available for grants to assist 1890s in the purchase of equipment and land, planning, construction, alteration, or renovation of buildings. These funds may also be used at the discretion of the institutions in the areas of research, extension, and resident instruction.

The House amendment also authorizes the Secretary to make competitive grants to five national research and training centennial centers located at 1890 colleges, or a consortia of such colleges, including Tuskegee, that: (1) have been designated by the Secretary for the fiscal years 1991 through 1995 as national research and training centennial centers; and (2) have the best demonstrable capacity to provide administrative leadership as a National Center in one of the following five areas: goat research and training; agricultural engineering development, research, and training; water quality and agricultural production research and training; sustainable agriculture research and training; and domestic and international trade and development research and training.

Such grants may be expended by the designated centennial center to: (1) pay expenses incurred in conducting research for which the center was designated; (2) print and disseminate the results of such research; (3) plan, administer, and direct such research; and (4) alter or repair buildings necessary to conduct such research.

The Secretary shall give priority to those centennial centers that assure dissemination of information and attract students and needed professionals. The sum of $2,000,000 is authorized for each of the fiscal years 1991 through 1995 for this program.

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment prohibiting construction under the authorization for centennial centers.

Sec. 1613. International agricultural science, education, and development and international trade development centers

(23) International Agricultural Science, Education, and Development (S 1423; H 1312)

The Senate bill modifies existing law to include authorization for the Secretary to: (1) enter into cooperative arrangements with Departments and Ministries of Agriculture in other nations, land grant universities, the Agency for International Development (AID), international organizations, and individuals and organizations to promote sustainable global agriculture system, including efforts to develop a global system for plant genetic resources conservation; (2) expand collaboration with AID; and (3) establish, in cooperation with the Secretary of State, an arid land research program to be coordinated through the International Arid Land Consortium.

The House amendment makes similar modifications, without specific references to plant genetic resources, global development, or expansion of collaboration with AID. The Secretary is directed to cooperate with non- governmental organizations, both domestic and foreign, for the purpose of expanding the agricultural economic base of middle income and developing countries. A new section states that no activities may promote the production for export of agricultural commodities, as determined by the Secretary, where such competition will cause substantial injury to U.S. producers.

The House amendment also directs the Secretary to make determinations regarding the location and funding of international trade development centers based on a national plan for agricultural export promotion through international trade development centers. This section provides that grants shall be made available on a competitive basis in accordance with such plan.

The Conference substitute adopts the Senate provision with an amendment adding the House provision on planning for trade development centers.

The Managers encourage the Secretary to assist, through the International Agricultural Science, Education, and Development Act, research to be undertaken in Texas in order to strengthen the capabilities for food and agricultural research in order to promote bilateral study, exchanges and research with Mexican academic, scientific and research institutions. Half of the $52 billion U.S.-Mexico two-way trade came across South Texas points of entry in 1989. The constant movement of people and goods between the two countries has led to the introduction of new animal and plant pests and diseases. Prevention, control and eradication of animals and plant pests and diseases in North America depends on collaboration with the Mexican scientific, academic, and research community on such important issues as the Africanized honey bee, screwworm, bovine tuberculosis, foot and mouth diseases, and other threats to agricultural production.

The Managers find that the U.S. and Mexico are expected to begin free trade negotiations sometime next year. Likewise, the President's recently announced Enterprise for the Americas Initiative's main objectives are to boost growth, trade and investment in Latin America, with the ultimate goal of creating a free trade area which would encompass all of the Western Hemisphere. In order for the U.S. agricultural sector to better understand Mexico and Latin America, the Managers encourage that the Secretary, to the extent practicable and consistent with the objectives of the section, to establish an International Trade Development Center in South Texas to specialize exclusively on Mexico and the rest of Latin America in order to promote bilateral agricultural trade relations with Latin America which would, among others, identify potential export markets for U.S. agricultural products in the region.

Sec. 1614. Aquaculture assistance programs

(24) Aquaculture (S 1422; H 1314)

The Senate bill extends the aquaculture research program until 1995. The Senate also directs the Secretary to implement a fish disease program which shall include research on new diagnostic procedures, the effect of environment of fish immune systems, and systems for control of fish diseases.

The House amendment similarly extends the aquaculture research program until 1995 and expands the areas for which grants may be made to include research to further the safety and wholesomeness of certain species and products, including the development of reliable supplies of seed stock and therapeutic compounds.

The House amendment increases the number of authorized aquaculture research centers from four to five. The Secretary is authorized to make grants for the purpose of further developing and expanding aquaculture research facilities located at Illinois State University and Virginia Polytechnic Institute, and to conduct such programs as are necessary to do basic and applied research for intensive water recirculating aquaculture systems. There is authorized to be appropriated $500,000 for each of the two facilities for fiscal years 1991 through 1995.

The Secretary is provided the discretion to award grants to Illinois State University in order to determine the feasibility of indoor intensive aquaculture systems for the Midwest. These grants may be used to further development and expansion of the existing aquaculture research facility located at the University and to conduct basic and applied research for intensive water recirculating aquaculture systems. The grants are expected to be made on a matching basis.

The interagency aquaculture coordinating group is directed to compile a listing of Federal and State laws, rules, and regulations materially affecting the production, processing, marketing, and transportation of aquacultural commodities. The interagency aquaculture coordinating group is directed to make such listing available to the public not later than January 1, 1992, and shall update and revise such listing not later than January 1, 1996, to show such laws, rules, and regulations as in effect on that date.

The House amendment states that the Secretary shall conduct a study, in consultation with the interagency aquaculture coordinating group, to assess the economic impact of animal damage to the U.S. aquaculture industry. The Secretary shall submit a report detailing the results of such study to the Committee on Agriculture and the Committee on Merchant Marine and Fisheries of the House and the Committee on Agriculture of the Senate not later than January 1, 1992.

The House amendment authorizes $7,500,000 for each of the fiscal years 1991 through 1995. The National Aquaculture Act of 1980 is amended to authorize appropriations to carry out the National Aquaculture Act of 1980 for fiscal years 1991, 1992, and 1993, as follows: (1) to the Department of Agriculture, $1,000,000 for each of fiscal years 1991, 1992, and 1993; (2) to the Department of Commerce, $1,000,000 for each of fiscal years 1991, 1992, and 1993; (3) to the Department of Interior, $1,000,000 for each of fiscal years 1991, 1992, and 1993.

The Conference substitute adopts the House amendment with an amendment adding the fish disease program from the Senate bill with reference to the interagency coordinating group and prohibiting the construction of new facilities.

Sec. 1615. National competitive research initiative

(25) National Research Initiative—Competitive Grants (S 1471; H 1315)

The Senate bill amends and expands the competitive grants program. The Senate bill awards grants in six high priority research areas: plant systems; animal systems; nutrition, food quality, and health; natural resources and the environment; engineering, products, and processes including new uses and new products; and markets, trade, and policy.

Grants, not exceeding five years shall be awarded to: (1) single investigators or co-investigators within the same discipline; (2) multidisciplinary teams proposing research on long-term applied research problems; (3) researchers for different areas of agriculture research and scientific disciplines; (4) institutions to allow for improvement of the capacity of the institution with not less than 25% and not more than 40% of funds made available in this category to be earmarked for fellowships to outstanding pre- and post-doctoral students; (5) single investigators or co-investigators who are beginning their research careers and have less than five years of postgraduate research experience; and (6) faculty of small and midsized institutions who have not previously been successful in obtaining competitive grants.

The House amendment also amends and expands the competitive grants program with several differences. Six high priority research areas which correspond to the six areas designated in the Senate bill but which provide greater detail are listed as follows:

(1) Plant systems, including research regarding plant genome structure and function; molecular and cellular genetics and plant and microbial biotechnology; plant-pest interactions and biocontrol systems; cover cropping, crop rotation, soil building techniques, crop varietal development, crop diversification, and integrated crop

and livestock systems; crop plant response to environmental stresses; improved nutrient qualities of plant products; new food, feed, fiber, and industrial uses of plant products; and development of new crops, best management practices, integrated crop management, and other cropping systems.

(2) Animal systems, including research regarding cellular, molecular, physiological, and behavioral bases of animal reproduction, growth, disease, and health; identification of genes responsible for improved production traits and resistance to disease, improved nutritional performance of animals; improved nutrient qualities and safety of animal products and development of new animal products; enhanced animal production practices and technologies; animal husbandry and wellbeing; and animal systems applicable to aquaculture.

(3) Nutrition, food quality, and health and welfare, including research regarding microbial contaminants and toxic contaminants and residues related to human health; production and processing facilities and systems to address the health and safety of food and farm workers and livestock; the production of nutritional feedstuffs; links between diet and health, including the nutritional status of the population, especially critical subpopulations; nutritional education; rural family welfare; bioavailability of nutrients; postharvest physiology and practices; and improved processing technologies.

(4) Natural resources and the environment, including research regarding fundamental structures and functions of ecosystems; biological and physical bases of integrated production systems; minimizing soil losses and degradation, maintaining surface and groundwater quality, and maximizing water availability through conservation; soil tilth development, management systems to utilize scarce soil moisture, drought tolerant plant development, evaporation reduction systems, and crop practices to foster soil water absorption and retention; forest and range management and productivity; and weather and climatic effects on agriculture.

(5) Engineering, products, and processes, including research regarding new uses and new products from crops, animals, byproducts, waste products and natural resources; robotics, computing, and expert systems; energy efficiency, conservation, and the development of alternative, renewable energy sources; new hazard and risk assessment and mitigation measures; and natural resource and environmental quality and management.

(6) Markets, trade, and agricultural policy, including research regarding optimal strategies for entering and competing in domestic and overseas markets; new decision tools for on-farm and in-market systems; choices and applications of technology; new approaches to economic development and viability in the rural United States, with emphasis on family farming operations; the development of domestic and international markets for resource-conserving and organic crops; international cooperation in agricultural research, extension, and teaching; and agricultural and nutritional improvements in developing nations.

No set-aside of funds is made for fellowships. The Secretary is required to appoint a Director for the competitive grants program.

The Conference substitute adopts the Senate provision with an amendment adding the word rural prior to economic development in order to stress priority for such research. The Managers note that there is agreement on the importance of the detailed specifications for priority research areas as designated in the House bill and urge the Secretary to examine this more detailed listing. The Managers further note the importance of new opportunities in plant science research related to root systems.

(26) Grant Selection (S 1471; H 1315)

The Senate bill states that all grant proposals shall undergo review by a peer review panel of experts who shall evaluate the scientific and technical merit of such proposals and make recommendations regarding such proposals.

An advisory review panel, consisting of lay and scientific representatives of the agriculture community, is established to provide a second level of review. The primary function of the advisory review panel is to evaluate the overall competitive grants research program as reflected in the complement of proposals submitted to ensure balance among the various areas of science, capitalize on emerging technologies and address the priorities established in this title. The advisory review panel makes final recommendations on funding to the Secretary.

A technology assessment shall be included, where appropriate, that addresses the potential benefits of the research for meeting the priorities set forth in this title. A technology assessment shall be included for proposals that have the potential to influence farm scale implementation, rural communities and other factors.

Grants may not be used for the planning, repair, rehabilitation, acquisition or construction of a building or facility. Grants may be used to pay one-half the cost of purchasing and installing fixed equipment and one-half the cost of minor alterations to an existing research space when necessary to conduct the research. Matching grants may not be a consideration in making grants under this subsection.

The House amendment calls for peer review panels to evaluate grants. The language specifies that the Secretary shall allocate grants taking into account the recommendations made by a nine-member advisory board. The advisory board shall make recommendations to the Secretary on policies, priorities, and operations of the grant program.

The Secretary is required to ensure that, where appropriate, grants are consistent with the development of systems of sustainable agriculture. Similar priority research areas and grant categories are established. The House amendment states that the Secretary shall transmit to Congress an annual report describing the policies, priorities, and operations of the grant program during the preceding fiscal year. In making grant determinations the Secretary shall emphasize sustainable agriculture where appropriate.

The Conference substitute adopts the House provision with an amendment mandating an annual report, deleting the advisory board, requiring the Secretary to seek the advice of the Technology Assessment Board established in this title on the policies, priorities, and operations of the competitive grants program.

(27) Authorization (S 1471; H 1315)

The Senate bill authorizes: $150,000,000 for FY 1991; $275,000,000 for FY 1992; $350,000,000 for FY 1993; $400,000,000 for FY 1994; $500,000,000 for FY 1995. Of the amount in any fiscal year, not less than 30% shall be available to multidisciplinary teams undertaking mission-linked research; not less than 10 percent shall be available for grants in research and education strengthening; and not more than four percent shall be available for USDA administrative costs.

The House amendment authorizes $500,000,000 for each of the fiscal years 1991 through 1995. The House amendment states that of the appropriations for a fiscal year, not more than two percent may be used to make equipment grants and not more than four percent may be used by the Secretary to pay administrative costs.

The Conference substitute adopts the Senate provision with an amendment that provides the following distribution of grant funds: not less than 10 percent in FY 1991, 20 percent in FY 1992, and 30 percent thereafter shall be available to multidisciplinary teams; not less than 20 percent in any given fiscal year for mission-linked research; not less than 10 percent in any given fiscal year for grants in research and education strengthening; not more than four percent for USDA administrative costs and not more than two percent for equipment grants in any given fiscal year.

Sec. 1616. Special research grants

(28) Special Grants (H 1315)

(29) Competitive, Special and Facilities Research Grants (S 1484)

The Senate bill provides that 90 percent of the funds appropriated under section 2(c) of the Act of August 4, 1965 shall be used for grants for regional research projects and four percent may be retained by the Secretary to pay administrative costs.

The House amendment amends section 2(c)(2) of the Act of August 4, 1965 by broadening the category of institutions eligible for special grants to include: State agricultural experiment stations; all colleges and universities; other research institutions and organizations; Federal agencies; private organizations or corporations; and individuals and by prohibiting construction of facilities.

The Conference substitute adopts both the Senate and House provisions.

Sec. 1617. Minimization of conflicts of interest of employees of colleges receiving funds under the Smith-Lever Act

(30) Minimization of Conflicts of Interest (H 1316)

The House amendment amends the Smith-Lever Act to require the Secretary to ensure that each college or university seeking to receive funds has in place appropriate requirements, as determined by the Secretary, to minimize actual or potential conflicts of interest among employees of such college or university whose salaries are funded in whole or in part with such funds.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment changing requirements to guidelines.

Sec. 1618. Agricultural experiment stations and transportation of virus of foot-and-mouth disease

(31) Agricultural Experiment Stations (S 1482)

The Senate bill provides for the reapportionment of unexpended funds to states.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(32) Utilization of Testing Equipment (S 1483)

The Senate bill amends the Act of 1884 that restricts research on foot and mouth disease virus to ARS and Animal Plant Health and Inspection Service laboratories at the Plum Island Animal Disease Center in New York in order for the virus to be transported to Brookhaven National Laboratory in Long Island in order to utilize testing equipment at that location.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment in the form of a substitute that provides that the Secretary, if he determines it necessary, may conduct research and study of the foot and mouth virus within the U.S., except at Brookhaven National Laboratory, after issuing a permit under rules and regulations promulgated to protect U.S. animal health.

Subtitle B—Sustainable Agriculture Research and Education

Sec. 1619. Purpose and definitions

(32) Findings and Purposes (S 1476; H 1321)

The Senate bill states that the Congress finds that: (1) the U.S. must focus efforts on development of sustainable methods of farming that are productive and profitable; (2) different methods of production can contribute to the goal of long-term sustainability; (3) many farmers and ranchers are highly dependent on nonrenewable production inputs and natural resources and seek information on sustainable agriculture; (4) farmers and ranchers have interest in participating directly in research; (5) expanded research and extension needed to (A) improve ag productivity; (B) prevent water pollution and soil erosion and degradation; (C) protect health and safety; (D) implement conservation practices; (E) reduce use of nonrenewable production inputs, to the extent feasible and practicable; (F) explore alternative livestock production systems that lead to low input livestock production; and (G) stabilize and improve farm income through crop and enterprise diversification.

Five purposes for this subtitle are listed: (1) maintain and enhance the quality and productivity of the soil; (2) conserve soil, water, energy, and natural resources, and improve fish and wildlife habitat conditions; (3) prevent contamination of surface and groundwater; (4) protect the health and safety of farmers, farmworkers and consumers; and (5) maintain or increase the number of economically viable self-employment opportunities in agriculture.

The House amendment contains no findings. The first five purposes are identical to the Senate bill with an additional sixth purpose of promoting the wellbeing of animals.

The Conference substitute adopts the House provision.

(34) Definitions (S 1476; H 1321)

The Senate bill includes definitions for the following terms: agribusiness, extension, non-profit organization; Secretary, State, State agricultural experiment stations, Extension Service Agents, Secretary, and pesticide.

Two different definitions of sustainable agriculture are provided. The first definition pertains to the research and extension program, technical guides, and state-federal matching program. For these programs the term sustainable agriculture means a variety of farming systems, ranging from organic systems that use no synthetic chemical inputs to those involving the prudent use of agriculture chemicals and that result in the—

(1) thorough incorporation of natural processes into the ag production process such as nutrient cycles, nitrogen fixation, and pest-predator relationships;

(2) reduction in the use of inputs with potential to harm significantly the environment or health;

(3) greater productive use of biological and genetic potential of plant and animal species;

(4) improvement of the match between cropping patterns and the productive potential and physical limitation of ag lands to ensure the long-term sustainability of current production levels; and

(5) profitable and efficient agriculture production, with emphasis on improved farm management and conservation.

The second definition of sustainable agriculture pertains to the ES training program. For this program the term sustainable agriculture means an agriculture production system that is economically viable and agronomically and environmentally sound over short and long term periods.

The House amendment includes definitions for the following terms: Extension; Secretary; Advisory Council; State; State agricultural experiment stations; sustainable agriculture; integrated crop management; and integrated resource management.

Sustainable agriculture is defined as it is earlier in the title as: an integrated system of plant and animal production practices having a site-specific application that will, over the long-term: (1) satisfy human food and fiber needs; (2) enhance environmental quality and the natural resource base upon which the agriculture economy depends; (3) make the most efficient use of nonrenewable resources and on-farm resources and integrate, where appropriate, natural biological cycles and controls; (4) sustain the economic viability of farm operations; and (5) enhance the quality of life for farmers and society as a whole.

Integrated crop management systems means an agriculture management system that integrates all controllable agriculture production factors for long-term sustained productivity, profitability, and ecological soundness. Integrated resource management means a livestock management which utilizes an interdisciplinary systems approach which integrates all controllable agricultural production practices to provide long-term sustained productivity and profitable production of safe and wholesome food in an environmentally sound manner.

The Conference substitute adopts the House provision with an amendment adding the definitions for agribusiness and non-profit organization from the Senate bill.

Sec. 1620. Repeal of agricultural productivity research

The Senate bill amends the Agricultural Productivity Act by substituting this subtitle for that Act. (S 1426)

The House bill repeals the Agricultural Productivity Act and substitutes this subtitle for that Act. (H 1329)

The Conference substitute adopts the House provision.

CHAPTER 1—BEST UTILIZATION OF BIOLOGICAL APPLICATIONS

Sec. 1621. Research and extension projects.

(35) Research and Extension Projects (S 1476; H 1322)

The Senate bill directs the Secretary to conduct research and extension projects that facilitate and increase scientific investigation in order to: (A) reduce, to the extent feasible and practicable, the use of toxic materials in agricultural production; (B) improve low-input farm management to enhance agricultural productivity and competitiveness; and (C) promote crop, livestock, and enterprise diversification and projects that facilitate conduct of projects in order to: (A) study various agricultural production systems; (B) study farms that are managed using production practices that rely on low-input and conservation practices; (C) take advantage of the experience and expertise of farmers and ranchers through their direct participation in research projects; (D) transfer practical information to farmers; (E) promote a partnership between government, farmers, nonprofits, and universities.

On-farm research is encouraged. Language from existing law is retained in regard to sequence planting, public observation of research, agreements, and indemnification.

The House amendment is similar to the Senate bill with several differences. The purposes of the program do not include the reduction of the use of chemical pesticides, fertilizers, and toxic natural materials but do include the development of improved farm management systems which minimize health and environmental risks. Non-profit organizations are deleted from the priority list for projects. Public observation is restricted to specified times.

The Conference substitute adopts the Senate provision with an amendment adding that public observation should occur at specified times and by adding the word low-input before sustainable in order to clarify the program's emphasis on research on reducing chemical inputs.

Sec. 1622. Program administration

(36) Program Administration (S 1476; H 1323)

The Senate bill requires the program to be conducted through CSRS in close cooperation with the ES. A National Sustainable Advisory Council and a minimum of four Regional Administrative Councils are established to review and make recommendations to the Secretary regarding funding of project proposals; promote programs at the national level; coordinate research and extension activities; administer funds; facilitate cooperation between sustainable agriculture, national water quality, food safety and pest related programs; and submit a report to the Secretary.

The House amendment is similar to the Senate provision with some slight differences: close cooperation with ARS is required; an additional impact study is required; the Farmers Home Administration member from the Senate bill is deleted; a representative of the 1890 institutions is added to the National Advisory Council; the nonprofit organization representatives must have demonstrable expertise; and representatives of agribusiness and ARS are added to the Regional Administrative Councils.

The Conference substitute adopts the Senate provision with an amendment adjusting the Senate language to the House language with the exception of the additional study.

Sec. 1623. Federal-State matching grant program

(37) Federal-State Matching Grant Program (S 1476; H 1324)

The Senate bill establishes a 50–50 matching grant program to encourage States to carry out sustainable agriculture programs and activities to assist: (1) educational programs; (2) curricula revisions; (3) the establishment of sustainable agriculture undergraduate and graduate programs; (4) funding of research and extension; (5) the provision of technical assistance to farmers; and (6) farmer-to-farmer information exchanges. Farmers must be involved in the development, implementation and evaluation of all projects receiving assistance.

The House amendment establishes a similar grant program with the exception that the program does not provide for use of funds for curriculum development and undergraduate and graduate programs.

The Conference substitute adopts the House provision with an amendment adding undergraduate and graduate degree programs.

Sec. 1624. Authorization of appropriations

(38) Appropriations (S 1476, 1468; H 1326–28)

The Senate bill authorizes $40,000,000 annually for the low-input sustainable agriculture research program, technical guides, and the State-Federal matching program for fiscal years 1991 through 1995. Not less than $15,000,000 or not less than two-thirds, whichever is less, shall be used to carry out the low-input sustainable agriculture research program.

The House amendment authorizes $40,000,000 annually for the sustainable agriculture research program, the Integrated Crop

Management research program, and the State-Federal matching program for fiscal years 1991 through 1995. Not less than $15,000,000 or not less than two-thirds, whichever is less, shall be used to carry out the sustainable agriculture research program and the Integrated Crop Management research program.

The Conference substitute adopts the Senate provision. The Conference substitute reorganizes the subtitle such that technical guides are now contained within Chapter 3 and no longer covered by this authorization of appropriations.

CHAPTER 2—INTEGRATED MANAGEMENT SYSTEMS

Sec. 1627. Integrated management systems research and education

(39) Integrated Management Systems Research and Education (H 1325)

The House amendment requires the Secretary to establish a research and education program to enhance research related to farming operations, practices, and systems that optimize crop and livestock production potential and are environmentally sound. The purposes of the program shall be to:

(1) encourage producers to adopt integrated crop and livestock management practices and systems that minimize or abate adverse environmental impacts, reduce soil erosion and loss of water and nutrients, enhance the efficient use of on-farm and off-farm inputs, and maintain or increase profitability and long-term productivity;

(2) develop knowledge and information on integrated crop and livestock management systems and practices, including specific information for inclusion in handbooks, technical guides, and educational materials;

(3) accumulate and analyze information on agricultural production practices researched or developed to further the development of integrated crop and livestock management systems;

(4) facilitate the adoption of whole-farm integrated crop and livestock management systems through demonstration projects on individual farms, including small and limited resource farms; and

(5) evaluate and recommend appropriate integrated crop and livestock management policies and programs.

The Secretary shall encourage agriculture producers to adopt and develop individual, site-specific integrated crop management practices (ICM). The Secretary shall, on a priority basis, develop and disseminate information on ICM for producers in specific localities or crop producing regions where the Secretary determines: (1) water quality is impaired as a result of local or regional agricultural production practices; or (2) the adoption of such practices may aid in the recovery of endangered or threatened species.

The Secretary shall, on a priority basis, develop programs to encourage livestock producers to develop and adopt individual, site-specific integrated resource management practices (IRM). These programs shall be designed to benefit producers and consumers through: (1) optimum use of available resources and improved production and financial efficiency for producers; (2) identifying and prioritizing the research and educational needs of the livestock industry relating to production and financial efficiency, competitiveness, environmental stability, and food safety; and (3) utilizing an interdisciplinary approach toward preventing potential problems.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment deleting the program purpose of developing specific information for inclusion in handbooks, technical guides, and educational materials and by adding a new section authorizing the sum of $20,000,000 to be appropriated annually through ES for each fiscal year 1991 through 1995.

CHAPTER 3—SUSTAINABLE AGRICULTURE TECHNOLOGY DEVELOPMENT AND TRANSFER PROGRAMS

Sec. 1628. Technical guides and handbooks

(40) Technical Guides/Handbooks (S 1476; H 1326)

The Senate bill requires that the Secretary, not later than 2 years after enactment of this section, after full notice and comment, develop technical guides that describe farm production systems that foster sustainable agriculture production systems, and other purposes.

The Secretary shall coordinate the work with ongoing efforts of ES and SCS to avoid duplication of effort and to develop comprehensive guides. The guides shall include detailed information on selection of crops and varieties, rotation practices, tillage systems, nutrient management systems, soil building practices, pest, weed, and disease management, soil, water, and energy conservation, livestock management, and other information as well as practical instructions to aid producers in adapting such systems.

The Secretary shall survey existing databases and information sources to aid in guide development. The Secretary may establish a grant program to assist in the development of such guides.

The House amendment is similar to the Senate provision with several slight differences. There is no requirement for public notice and comment; the Secretary is required to develop handbooks and other educational materials as well as guides; the materials must be prepared in one year; there is no provision for a grant program; and such sums as are necessary are authorized to be appropriated.

The Conference substitute adopts the House provision with an amendment that: extends the deadline for guide and handbook development to two years; adds a statement that efforts should be made to avoid duplication of effort with the Soil Conservation Service; adds pest, weed and disease management information for inclusion in the guides; and authorizes such sums as are necessary for this section.

(41) Reports (S 1476)

The Senate bill requires the Secretary to submit to the House and Senate Agriculture Committees and the National Sustainable Agriculture Advisory Council a report regarding the program under this subtitle.

The House amendment has no comparable provision.

The Conference substitute adopts the House position, thereby deleting the report requirement.

Sec. 1629. National Training Program

(42) National Extension Service Training Program in Sustainable Agriculture (S 1476; H 1327)

The Senate bill directs the Secretary to establish a National Training Program in sustainable agriculture to provide education and training for Extension Agents primarily and for other professionals involved in the education and transfer of technical information concerning sustainable agriculture.

The Secretary shall designate not less than two national training centers at existing institutions that have a specific mandate relating to sustainable agriculture to run the program and to conduct intensive training programs for specialists. The Centers should be administered by organizations that (1) have demonstrated capability relating to sustainable agriculture; (2) have a base of programming that includes both research and education related to sustainable agriculture; and (3) have cooperative relations with other agencies such as ARS, ES, land grant universities and nonprofit organizations.

A competitive grant program to provide funding for regionally administered short courses of a less intensive nature than those at the National Training Centers is also authorized. All agricultural ES agents are to be provided with training in all aspects of sustainable agriculture no later than 1995. Beginning three years after enactment of this title, all new ES agents shall demonstrate a thorough knowledge of sustainable agriculture and ICM no later than 18 months after employment.

The House amendment establishes a training program with similar purposes and goals to the Senate provision. However, no centers or competitive grants program are established. Such training may occur at a college or university located within each State. Coordination shall take place with the Water Quality and Integrated Pest Management programs established elsewhere in this title. The Secretary may provide chemical and equipment dealers with information on sustainable agriculture.

A regional coordinator shall be designated from the ES within each State to coordinate the training program. Regional specialists may be designated within each State who shall report to the State coordinator of that State.

The ES within each State shall transfer information that shall: (1) assist in developing farmer-to-farmer information exchange networks; (2) help coordinate and publicize a regular series of farm tours and field days; (3) plan for extension programming and other endeavors related to sustainable agriculture; (4) provide technical assistance to farmers making a transition; (5) consult and work closely with the Soil Conservation Service and the Agricultural Stabilization and Conservation Service; (6) develop programs in areas highly susceptible to groundwater contamination; (7) develop information sources relating to crop diversification; (8) establish a program to increase understanding of well-water testing program; (9) provide specific information on water quality practices; (10) provide specific information on nutrient management; and (11) develop whole-farm management systems.

The Conference substitute adopts the Senate provision with an amendment. The term entities is substituted for the term organizations; regional centers are substituted for not less than two national training centers; a base of programing and cooperative relationships criteria for selection of centers is deleted; regional specialists are designated in each State; and ES is given the 11 responsibilities in the House amendment.

The Managers note that there are two different levels of training being authorized under this section. The Managers intend that the more intensive course, conducted at the training centers, shall be designed for and attended by Federal, State, and Country extension agents specializing in agriculture production or urban pest control. The competitive grants shall be awarded to entities, which may be located within the State but not necessarily so, to conduct workshops to familiarize all other extension agents with basic knowledge on sustainable agriculture.

Sec. 1630. Authorization of appropriations

(43) Appropriations (S 1476; H 1326-28)

The Senate bill authorizes $10,000,000 annually for the ES training program.

The House amendment authorizes $40,000,000 for ES training and information dissemination for fiscal years 1991 through 1995.

The Conference substitute adopts the House provision with an amendment authorizing $20,000,000 ES training.

Subtitle C—National Genetics Resources Program

Sec. 1632. Establishment, purpose, and functions of the National Genetic Resources Program

(44) Genetics Resources Program (S 1414(3); H 1331-34)

The Senate bill amends the current responsibilities of the Secretary to include the development of a new genome mapping program.

The House amendment establishes a new National Genetics Resources Program to provide for the collection, preservation, and dissemination of genetic material of importance to American food and agriculture production.

The Secretary shall administer the program through ARS. The Secretary shall: (1) provide for the collection, classification, preservation, and dissemination of genetic material of importance to the food and agriculture sectors of the U.S.; (2) conduct research on genetic materials collected and on methods for storage and preservation of those materials; (3) coordinate the activities of the program with similar domestic activities; (4) make available the genetic material which the program assembles; (5) expand the types of genetic resources included in the program to develop a comprehensive genetic resources program which includes plants, animal, aquatic, insect, microbiological, and other types of genetic resources of importance to food and agriculture; and (6) engage in other activities the Secretary determines appropriate.

The Conference substitute adopts the House provision.

Sec. 1633. Appointment and authority of Director

The House amendment requires the Secretary to appoint a director of the national genetic resources who shall: (1) advise participants on the program activities; (2) coordinate, review and facilitate the identification and evaluation of relevant information generated under the program; (3) promote the transfer of relevant information; (4) monitor the effectiveness of the transfer of relevant information; and (5) provide to the Congress a biennial report and a report describing the 10-year projected needs and an assessment of international efforts, and an evaluation of the potential effect of various national laws and treaties on genetic resources.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision. The Managers intend that the Director will report directly to the Administrator of ARS.

Sec. 1634. Advisory council

The House amendment establishes an advisory council to assist the Secretary. The advisory council shall consist of ex officio members and not more than nine members appointed by the Secretary.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

Sec. 1635. Definitions and authorization of appropriations

The House amendment defines certain terms and provides such funds as may be necessary are authorized for each of the fiscal years 1991 through 1995.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

Subtitle D—National Agricultural Weather Information System.

Sec. 1637. Short title and purposes

(45) Agriculture Weather Information System (H 1339-43)

The House amendment establishes a National Agriculture Weather Information System. Several congressional findings are set forth. The purpose of this program are to: (1) provide a nationally coordinated agriculture weather information system; (2) facilitate the collection, organization, and dissemination of advisory weather and climate information relevant to agriculture producers through the participation of the private sector and otherwise; (3) provide for research and education on agriculture, weather, and climate aimed at improving the quality and quantity of weather and climate information available to agriculture producers; and (4) encourage and strengthen, where feasible, greater private sector participation in providing agriculture weather and climate information and activities.

The Senate bill has not comparable provision.

The Conference substitute adopts the House provision with an amendment deleting the findings.

Sec. 1638. Agriculture Weather Office

The House amendment establishes a USDA Agriculture Weather Office to plan and administer the National Agricultural Weather Information System comprised of the Agriculture Weather Office and the activities of the State agriculture weather information systems.

The Secretary shall appoint a Director to manage that activities of the Agricultural Weather Office and to advise the Secretary on the scientific and programmatic coordination for climate, weather and remote sensing.

The office may: (1) enter into cooperative projects with the National Weather Service; (2) obtain standardized weather obervation data collected through State agricultural weather information systems; (3) provide competitive grants for research in atmospheric sciences and climatology; (4) provide grants to eligible States to plan and administer State agriculture weather information systems; (5) coordinate the activities of the Office with the weather and climate research activities of CSBS, the National Science Foundation Atmospheric Services Program, and the National Climate Program; (6) encourage private sector participation in the National Agricultural Weather Information System; and (7) represent USDA on agrometerology and climate matters with the World Meteorological Organization, the Intergovernmental Program on Climate Change, and relevant science and technology agreements.

The Secretary shall give priority to grant proposals that emphasize: (1) techniques and processes that relate to weather-induced agriculture losses, and to improving the advisory information on weather extremes; (2) improvement of site-specific weather data collection and forecasting; or (3) the effect of weather on economic and environmental costs in agriculture production.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment deleting the subsection regarding Office representation in forums on agrometeorology and climate matters. The Managers note that in adopting the House provision, the Conferees acknowledge that significant benefits to both farm producers and to the environment will likely result from the improved collection and dissemination of near real-time, site-specific agricultural weather forecasting and climatological data. The Conferees emphasize the importance of integrating any private sector businesses and capabilities into the overall activities of the program.

Given the limited amount of funding available for State grants, the Conferees strongly urge the development of State plan proposals which provide for State matching funds, and which would utilize the Federal grant funding as a means to leverage additional financial support from and participation by private sector firms, agricultural cooperatives and producer organizations.

As differentiated from the CSRS competitive grants authorized primarily for research activities by the provision, State grant funds should foster and coordinate the implementation of usable data collection and dissemination systems and should cooperate in development of educational programs to assist producers in learning how to make the best use of the information generated.

The limitation on the use of funds for construction and equipment is not intended to unreasonably inhibit or restrict the use of State grants for the installation and equipping of remote weather and climatological sensing and data-relay transmission facilities and equipment. However, State plan proposals should clearly identify the extent to which grant monies may be utilized for such purposes, and the justifications for such utilization within the overall objectives of the plan.

Sec. 1639. National Advisory Board on Agricultural Weather

The House amendment establishes a permanent national advisory board on agriculture weather to advise the director of the agriculture weather and climatology office. The Secretary will appoint a nine-member board and membership requirements are delineated. The Board is exempted from the Federal Advisory Committee Act.

The Senate bill has no comparable provison.

The Conference substitute adopts the House version.

Sec. 1640. State agricultural weather information systems

The House amendment requires the Secretary to make grants to not fewer than ten eligible states to plan and administer advisory programs for state agriculture weather information systems. Terms of the application and state agreements are established.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

Sec. 1641. Funding

The House amendment authorizes $5,000,000 each of the fiscal years 1991 through 1995. Of the amount appropriated: not less than 15 percent and not more than 25 percent shall be used for cooperative work with the national weather service; not less than 15 percent and not more than 25 percent of such funds shall be used by CSRS for a competitive grants program; and not less than 25 percent and not more than 35 percent shall be divided equally between the participating states selected for that fiscal year.

The remaining funds shall be allocated for use by the agriculture weather office and the ES in carrying out the program. No funds shall be used for the construction of facilities. Each state or agency receiving funds shall not use more than 30 percent of such funds for equipment purchases. Any use of the funds in facilitating the distribution of agriculture and climate information to producers shall be done with consideration for the role that the private meteorological sector can play in such information delivery.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

Subtitle E—Research Regarding the Production, Preparation, Processing, Handling, and Storage of Agricultural Products.

Sec. 1643. Findings, purpose, and definition

(46) Research on Production, Preparation, Processing, Handling, and Storage (H 1351–55)

The House amendment establishes a new research program on the production, preparation, processing, handling, and storage of agricultural products. The Congress finds: (1) the wholesomeness of agriculture products is important; (2) it is appropriate to periodically examine agriculture production and preparation, processing, handling and storage systems, especially with respect to harmful microbiological and chemical agents that seriously undermine product wholesomeness and fitness; and (3) additional research into the wholesomeness of agricultural products should be conducted.

It is not the purpose of this subtitle to affect the research programs of any Federal agency or department research currently conducted or to be conducted under any other statutory authority.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment deleting the findings and purpose.

Sec. 1644. Research and grant program

The House amendment requires the Secretary to conduct a research program that will: (1) establish a statistical framework to measure the potential risk associated with microbiological and chemical agents in or affecting agriculture products that seriously undermine product wholesomeness and fitness; (2) identify any microbiological or chemical agent under the statistical framework; and (3) identify the means to avoid microbiological and chemical agents in or affecting agriculture products or to control or reduce microbiological and chemical agents.

The Secretary may make competitive grants after consultation with Advisory committee and for periods not to exceed five years. The Secretary must require the grant recipient to provide matching funds for the research unless the Secretary determines that the research should be performed regardless of the lack of matching funds. No grant may be used for the planning, repair, rehabilitation, acquisition, or construction of a building or facility.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

Sec. 1645. Advisory committee and grant process

The House amendment requires the Secretary to establish a nine-member committee to set research priorities for, and evaluate, proposed research projects on the production, preparation, processing, handling and storage of agriculture products.

The Secretary, on receipt of the committee's recommendations with respect to research priorities for grants, shall publish in the federal register: (1) the proposed research priorities; (2) a notice requesting persons and government entities to submit written comments on the priorities to the Secretary not later than 60 days after publication; and (3) final research priorities.

The Secretary shall refer applications to the committee for its review which shall establish peer review panels to review the scientific and technical merits of research proposals. The committee, after due consideration of the review panel comments, shall recommend grants to the Secretary. The committee and peer review panels shall identify both proposals for basic research and proposals for applied research. The committee and peer review panels are exempted from the Federal Advisory Committee Act.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment reducing the number of members appointed by the Secretary from among qualified individuals who are employees of the Federal Government from four to two; and providing that three members shall be appointed by the Chairman of the House Agriculture Committee and three members shall be appointed by the Chairman of the Senate Agriculture Committee. Peer review panels are exempted from the Federal Advisory Committee Act.

Sec. 1646. Reports to Congress

The House amendment mandates several reports.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

Sec. 1647. Authorization of appropriations

The House amendment authorizes such sums as necessary for each of the fiscal years 1991 through 1995. No more than four percent of such sums may be expended for administrative costs.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

Subtitle F—Plant and Animal Pest and Disease Control Program

(47) Plant and Animal Pest and Disease Control Program (H 1344-50)

Sec. 1650. Plant and animal pest and disease control program

The House amendment lists six findings regarding the importance of integrated pest management. The term "integrated pest management" (IPM) means a pest or disease population management system that uses all suitable techniques, such as biological and cultural controls as well as pesticides, in a total production system to anticipate and prevent pests and diseases from reaching economically damaging levels.

The Secretary, acting through the Assistant Secretary for Science and Education shall establish the Office of Integrated Pest Management within 180 days of enactment. The Secretary shall appoint a chief for the Office who shall investigate and report on the status of IPM and recommend new research and extension strategies on IPM.

A seven-person technical committee is established to advise the Secretary and the Chief of the Office regarding IPM research. The Secretary may accept gifts and contributions on behalf of the Office. Pilot projects on IPM strategies are established. By January, 1995 a report is required on the IPM activities being carried out, including recommendations on the modification or elimination of the Office.

The Secretary shall undertake IPM research including research with Federal or State agencies and with private individuals or organizations, including research on IPM for cut roses and other fresh cut flowers, to be conducted through the ES. Nothing in this Act shall not be construed as limiting or repealing the authority of the Administrator of the EPA regarding IPM under FIFRA.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment. The findings, IPM office and director, and technical committees are deleted. Floraculture is substituted for cut roses and other fresh cut flowers under the research directives.

Sec. 1651. Pest and disease control data based and pesticide resistance monitoring

The House amendment mandates the establishment of a data base on available materials and methods of pest and disease control listed by commodity involved and pest or disease being controlled, specifying currently available materials or methods of chemical, biological, cultural or other means of control and the extent of pest or disease resistance to controls. The Secretary shall: (1) set pest and disease research and extension priorities based upon needs revealed by the data base; (2) make such information available through the NAL and shall provide the information to the Administrator of the EPA on an annual basis; and (3) establish a national pesticide resistance monitoring program in accordance with the recommendations made in 1985 Food Security Act.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

Sec. 1652. Research on exotic pests

The House amendment authorizes research on exotic pests. The purpose of this research program is to expand the research capacity of the USDA and State cooperative institutions in the control and eradication of exotic pests. The reserch conducted shall include improvement of existing methods of pest control, including sterile insect release, and development of safer peticides, inducing pheremones and an expansion of research capacity to develop new methods of pest control including containment of pests for research purposes. Such sums as needed for the program authorized under this section.

The Senate bill has no comprable provision.

The Conference substitute adopts the House provision.

Sec. 1653. Study of the biology and behavior of chinch bugs, including factors leading to crop loss and development of improved management practices

The House amendment authorizes a study of the biology and behavior of chinch bugs including factors leading to crop loss and development of improved management practices.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

Sec. 1654. Authorization of appropriations

The House amendment authorizes $55,000,000 to carry out this subtitle for each of the fiscal years 1991 through 1995, with not less than $30,000,000 for the ES activities.

The Senate bill has no comparable provision.

The Conference substitution adopts the House provision changing appropriations to such sums as necessary.

Subtitle G—Alternative Agricultural Research and Commercialization

Sec. 1657. Short title, purposes, and definitions.

(48) Findings and Purposes (S 1902; H 1356)

(49) Definitions (S 1903; H 1356)

The Senate bill states several findings. The purpose of this program is to: (1) authorize research in the modification of plants and plant materials in order to develop and produce marketable products other than food, feed or traditional forest or fiber products; (2) commercialize new nonfood, nonfeed uses for agriculture crops in order to create jobs, enhance rural economic development, and diversify markets; (3) encourage cooperative development and marketing efforts in order to assist commercialization; and (4) direct research and commercialization efforts toward the production of new industrial products that can be raised by family-sized agriculture producers.

The Senate bill provides definitions for 11 terms: Assistant Secretary; Board; commercialization; corporation; host institution; new industrial product development; new industrial product; regional center; research project; Secretary; and traditional forest or fiber product.

Commercialization includes activities associated with the development of prototype products or manufacturing plants; the application of technology and techniques to the development of industrial production; and the market development of new industrial uses of new and traditional agriculture and forestry products and processes that will lead to the creation of marketable goods and services. New industrial product means an item that is primarily not a food, feed or traditional forest or fiber product, including an item that exists but is not commercially available from a plant source. Research project means a project that is directed toward the development of a new marketable industrial or commercial product, other than a food, feed or traditional forest or fiber product, through biotechnology or other modification of a plant, and includes all of the various research tasks necessary to develop a new industrial product.

The House amendment has no findings. The purpose of this program is to: (1) increase commercial use of agriculture commodities through cooperative development of new uses, applications, technologies, processes, and products; (2) mobilize private sector initiatives; (3) foster economic development in rural areas through introduction of new products; (4) establish markets for new nonfood, nonfeed uses of agriculture commodities; (5) encourage cooperative development and marketing efforts; and (6) direct commercialization efforts toward the production of new industrial products that can be raised by family farmers.

The House amendment provides definitions for nine terms: agriculture commodity; alternative agriculture product; commercialization; Institute; Secretary; Director; Board; regional center; and fund. Commercialization has the same meaning as in the Senate bill. Alternative agriculture product means a new use, application, or material that is derived from an agriculture commodity, is not in widespread commercial use, and is not expected to significantly displace a use, application, or material derived from an agriculture commodity that already is in widespread commercial use.

The Conference substitute adopts the Senate provision with an amendment broadening the scope of the purposes to include authorizing research in modification of agricultural commodities, and associated research, in order to develop and produce marketable products other than food, feed, or traditional forest or fiber products; and by adding the following purpose: fostering economic development in rural areas of the U.S. through the introduction of new nonfood, nonfeed products obtained from agricultural commodities. Definitions are provided for: agricultural commodity; alternative agricultural product; Board; Center; commercialization; Fund; host institution; new nonfood, nonfeed product development; new nonfood, nonfeed product; nonprofit organization; Secretary; and traditional forest or fiber product. Sec.

Sec. 1658. Alternative agricultural research and commercialization center

(50) Structure (S 1904, 1905; H 1357)

The Senate bill establishes a corporation and provides it with general corporate powers. An independent nonprofit corporation is established within the USDA, entitled the "Alternative Agricultural Research and Commercialization Corporation" (AARCC). The AARCC shall serve as the hub for four to nine Regional Centers, where its main activities shall be carried out. AARCC is subject to the Government Corporate Control Act. The purpose of AARCC is to provide grant assistance, contracts and cooperative agreements, loans, interest subsidies, and to technology transfer, information collection, and information dissemination; search for new industrial materials from agricultural commodities and other activities in support of new products.

The House amendment establishes a National Institute for Alternative Agriculture Products. The Secretary shall establish an Institute to be operated as an independent entity within USDA. The functions of the Institute are the same as AARCC's purposes in the Senate bill. The Institute shall administer a Revolving Fund.

The Institute will be headed by a Director, who is to be appointed by the Board and approved by the Secretary. The Director shall: (1) review applications; (2) review the conduct of research; (3) review research findings or reports; (4) make licensing and patent agreements, or other fee arrangements on the sales of products and new uses, applications, technologies, or processes developed through assistance provided through a grant, contract, or cooperative agreement to which the Institute is a party; and (5) maintain channels for the dissemination and exchange of agriculture products and processes research.

The Conference substitute adopts the House provision with an amendment establishing AARCC as a Center rather than a corporation, establishing the Directors pay at level IV, and making the Director subject to the general supervision of the Board.

Sec. 1659. Alternative agricultural research and commercialization board

(51) Corporate Board/Institute Board (S 1906-11; H 1358)

The Senate bill establishes a Corporate Board of Directors, details the powers and duties of the Board, and describes other matters of concern to the Board. The Board of Directors shall be composed of nine members, including the Assistant Secretary for Science and Education and the UnderSecretary of Agriculture for Small Community and Rural Development. The Secretaries of Agriculture and Commerce shall appoint two and three members, respectively, and two members shall be appointed by the Director of the National Science Foundation.

These Directors, serving five year terms, shall represent the agricultural, scientific, financial, and managerial sectors. They may hold full-time jobs while serving as Directors and at least three members shall be from the private sector. The Board of Directors shall elect a Chairman. The Board of Directors shall approve applications for financial assistance for commercialization projects and recommend research projects to the Secretary for funding. The Secretary may veto any recommendation by the Board. The Secretary shall select research projects that are to receive funding based on recommendations by the Board.

The Board has the authority to delegate authority to the Regional Centers to carry out activities of the AARCC. The AARCC shall adopt bylaws, develop an organizational structure, and hire a limited number of staff members, which may include a General Counsel, Treasurer, and Executive Director, who shall be considered federal employees. The choice of officers and employees shall be nonpartisan.

The Board may establish boards of experts to provide advice, and may hold hearings when appropriate. Board members, except for the Assistant Secretary and the UnderSecretary, shall receive compensation. Members of the Board of Directors and all other officers and employees are subject to the Ethics in Government Act. A Director or a member of an Advisory Council is precluded from voting on any matter in which such individual has a financial interest. The AARCC and its Directors, officers and employees are subject to criminal sanctions for releasing proprietary information. Administrative expenses are required to be kept to five percent in order to make available more money for research grants and financial assistance for commercialization projects.

The House amendment establishes a National Alternative Agriculture Products Board. The Board shall consist of ex officio nonvoting members and not more than 12 voting members appointed by the Secretary. Voting members are to be appointed as follows:

three scientific members; three producers or processors of agricultural commodities; three members who are privately engaged in the commercialization of new products from agricultural commodities; and three members who are representatives of private industries. The Board will: (1) be responsible for the general supervision and policy control of the Institute and Regional Centers; (2) determine high priority research areas to receive assistance under that section; (3) review and approve any grant, contract, or cooperative agreement to be made by the Institute; (4) make the final decision, by majority vote, on whether and how to provide assistance to the applicant; (5) establish program policy, objectives, research and development, and commercialization priorities through a process of public hearings; and (6) develop and establish a budget plan and a long-term operating plan.

The term of office of a voting member shall be four years. Voting members shall select a chairperson from their rank to serve a two year term. The Board must meet at least three times each fiscal year. A quorum of the Board will consist of a majority of the appointed voting members of the Board. The Board may establish one or more temporary committees. Members of the Board are to receive compensation. No member may vote on any matter in which such member has a financial interest.

The Conference substitute adopts the House provision with an amendment establishing the Board with nine members appointed by the Secretary. Members are to be appointed as follows: a member who shall be an employee of the Department of Agriculture; four members of which at least one shall be a scientific member, a producer or processor of agricultural commodities and a member privately engaged in the commercialization of new products from agricultural commodities; two members from a group of four persons nominated by the Director of the National Science Foundation who have expertise in areas of applied research relating to the development or commercialization of new nonfood, nonfeed products; and two members from a group of four persons nominated by the Secretary of Commerce who have expertise in financial and managerial matters of private industries.

Sec. 1660. Research and development grants, contracts, and agreements

(52) Research and Development (S 1912; H 1359)

The Senate bill requires the Secretary to select research projects to develop and produce new industrial products, based on the recommendations of the Board. The projects shall be peer reviewed. Criteria for selection shall include: (1) the prospect of developing technologies that could make it possible to use or modify existing agricultural commodities to provide an economically viable quantity of new nonfood, nonfeed products; (2) the potential market size of the new nonfood, nonfeed product, the likely time period needed to bring the product into the stream of commerce for general use, and the likely availability of the agricultural commodity used to produce the product; (3) the potential for job creation in an economically distressed rural area; (4) the anticipated State or local participation; (5) the anticipated financial participation of private entities; (6) the likely impact on reducing Federal crop subsidies and other Federal agricultural assistance program costs; (7) the unavailability of adequate funding from other sources; (8) the likely positive impact on resource conservation and the environment; and (9) the likely positive effect of helping family-sized farmers and rural communities near the affected agricultural and forested areas.

The funding provided under this subtitle may go to projects proposed by consortia, but may not be used to acquire, build or repair a building or facility. Grants may be made for a minimum of three years. Some priority is given to biotechnological research projects. The Board shall establish peer review committees to review each proposed project for funding. The Board may review the progress of research projects which receive funding from the Corporation, and make recommendations to the Secretary concerning continued research.

The House amendment provides that the Institute shall select the grant recipients. All applications are peer reviewed. Criteria for selection are similar although the criteria are not focused on plant research. A set-aside of not less than two-thirds of the funds each year shall be awarded for projects where the applicant has committed substantial funding and support and has entered into an agreement with a U.S. company that also commits to provide funds for at least 20 percent of the total cost of the project. Not less than five percent of the funds each year shall be awarded only for projects submitted by the 1890s. Funds committed by the Institute for any research, development, or demonstration project can in no case exceed 50 percent.

Not less than two-thirds of the funds obligated each fiscal year for grants, contracts and cooperative agreements under this section shall be awarded only for research, development, and demonstration projects for which the applicant has committed substantial funding and support from its own resources and has entered into a cooperative agreement or other contractual arrangement with a commercial company domiciled in the United States that commits such company to: (1) provide funds for at least 20 percent of the total cost of such project; and (2) engage in the commercial production and sale.

The Conference substitute adopts the Senate provision with an amendment changing the selection criteria to: (1) include the set-aside of funds for certain projects contained in the House amendment; and (2) allow not more than 25 percent of the funds obligated each fiscal year to be awarded only for projects concerning new nonfood, nonfeed products derived from animal sources. Funds committed by the Center for any project shall in no case exceed two-thirds of the total cost of the project. In selecting projects to receive funds, the Center may give preference to those projects for which the ratio of Center funds to nonCenter funds would be lowest.

Sec. 1661. Commercialization assistance

(53) Commercialization Assistance (S 1915–17; H 1359)

The Senate bill authorizes AARCC to provide low-interest loans, loan guarantees, interest subsidies, repayable grants matched by private, state or local public funds, venture capital and umbrella bonding to eligible applicants to commercialize industrial products using ag and forestry crops. The Board may establish a discretionary fund for each Regional Center. The Regional Directors shall account for expenditures from these funds twice a year. The Corporation, through the Regional Centers, shall monitor the progress of ongoing projects and provide supportive business and technical counseling as needed, assisted by the Advisory Council.

The entities eligible for assistance shall be small businesses as defined under the Small Business Act, universities or other institutions of higher education, nonprofit organizations and cooperatives. A business entity shall repay the financial assistance it receives from AARCC according to its contract with the Corporation. The AARCC is given great flexibility in negotiating the amount and type of this repayment.

The House amendment is identical except loan periods are limited to three years and no umbrella bond is authorized, no additional criteria to use in selecting among equivalent applications is included, and it allows all businesses to be eligible for assistance.

The Conference substitute adopts the House provision with an amendment to include the additional criteria provisions contained in the Senate bill.

Sec. 1662. General rules regarding the provision of assistance. (S 1905, 1913, 1915 and 1916, H 1361)

The Senate bill authorizes the Regional Centers with the assistance of the Advisory Councils to receive and review commercialization applications, and recommend funding to the Board. The Board shall make the final funding decision. The Secretary may veto these decisions. Members of regional Advisory Councils may not vote on any matter in which they have a financial interest. Regional Centers shall monitor the progress of projects which receive AARCC funding, which may include on-site reviews, written reports, and technical and business counseling, and may require recipients to demonstrate that the use of financial assistance is in compliance with the contractual agreement. AARCC may use volunteer services. AARCC shall ensure the confidentiality of applications and is subject to GAO audit. The Board shall publish in the Federal Register a notice that it is receiving application for assistance not later than 30 days prior to the period established for receipt of such applications. Entities receiving financial assistance are required to repay AARCC, and the maximum repayment period for financial assistance is 12 years. The Board may waive this repayment for an entity in some cases.

The House amendment has similar provisions, except that commercialization applications may be submitted to the Board rather than to a Regional Center. The Board may require applications or proposals for grants, contracts or cooperative agreements to include detailed estimates of project overhead and administrative costs. In selecting such applications or proposals for awards, the Institute shall give preference to those with the lowest effective costs. The time on grants, contracts and cooperative agreements is limited to three years. The use of assistance for planning, repair, rehabilitation, acquisition or construction of a building or facility is prohibited. The Board is required to submit reports to the Secretary on its activities.

The Conference substitute adopts the House amendment with an amendment to require commercialization applications originating from regions which have a Regional Center shall be submitted to that Regional Center, to prohibit the use of grants awarded, or contracts or cooperative agreements entered into, for the acquisition or construction of a building or facility, providing that grants be renewed, and clarify that the Board shall ensure the confidentiality of commercialization applications.

Sec. 1663. Regional centers

(54) Research Centers (S 1913, 1914; H 1362)

The Senate bills establish regional centers and details their activities in the program. AARCC shall establish a minimum of four and a maximum of nine Regional Centers where AARCC's main activities will be carried out. The AARCC shall not establish any Regional Centers until not less than $5 million has been appropriated. Each Regional Center shall be located in a different state, which reflects to the extent possible the regional climatic conditions and rural economic stress and the qualifications of the applicant to serve as a host institution. Candidates which apply for a Center must demonstrate the ability to develop a partnership between private and public sector and universities to commercialize new industrial products made from agricultural commodities. The location of Regional Centers shall be competitively awarded based on proposals submitted to the Board of Directors.

Regional Centers must be located at host institutions, which include universities or other institutions of higher education, USDA labs, State Agriculture Experiment Stations, ES facilities, or other organizations which are involved in the development or commercialization of new industrial uses for agricultural commodities, or in rural economic development. States must provide for the matching of funds provided by the federal government for administrative costs, which may include in-kind support such as office space, equipment and staff support.

Each Regional Center shall be headed by a Regional Director selected by the Board, who shall carry out the activities of AARCC and work in consultation with the regional Advisory Council appointed by the Board of Directors, and a broad network of volunteers who shall assist the Regional Director with review of applications and project oversight including technical and business counseling. Each Regional Director shall have a small support staff. The Regional Centers shall: (1) develop a network of scientists, engineers, financiers, business managers, and other specialists to assist in project review; (2) provide business and technical counseling to small businesses to commercialize new industrial uses of agriculture and forestry products; (3) seek out new, nonfood, nonfeed agricultural product ideas which can contribute to rural economic growth; and (4) evaluate and recommend applicants for financial assistance for commercialization. The Regional Centers shall coordinate their activities with the Small Business Development Centers.

The House amendment establishes regional centers and details their activities in the program. This section is very similar to the Senate bill with the following differences: (1) the number of regional centers shall be not less than two nor more than five; and (2) a single advisory council is established rather than Advisory Councils for each Regional Center.

The Conference substitute adopts the House provision with an amendment to establish not less than two nor more than six Regional Centers.

Sec. 1664. Alternative Agricultural Research and Commercialization Revolving Fund

(55) Revolving Fund (S 1918; H 1361)

The Senate bill establishes a revolving fund to receive sums from the repayment of financial assistance and contributions to the Corporation. The Fund is administered by the Board and used to provide financial assistance authorized by this section as well as to pay operational costs.

The House amendment also establishes a revolving fund which is organized into two separate accounts: an account to cover research activities and an account to cover commercialization activities. All appropriated dollars as well as payments, fees, royalties, and contributions are deposited into the Fund. Not more than five percent of the funds may be used for administrative expenses of the Institute; not more than five percent for information dissemination and technology transfer; and not less than 85 percent for awards for applications for support. The Managers direct the Secretary to ensure that a portion of the funds shall be used for the development and commercialization of new industrial products from nontraditional crops.

The Conference substitute adopts the House provision with an amendment merging the two separate accounts into one account and by adding donations or other contributions to the list of contents of the Fund.

(56) Authorization (S 1919; H 1361)

The Senate bill provides authorization for the program. The Corporation is authorized to receive such sums as may be appropriated through fiscal year 2000. Of that sum, $10,000,000 shall be made available in 1990, $20,000,000 in FY 1991, $30,000,000 in FY 1992, $50,000,000 in FY 1993, and $75,000,000 in each of the following six fiscal years to implement the research and development program. The Corporation may not establish any regional center until not less than $5,000,000 is appropriated in any one fiscal year.

The House amendment provides such sums as necessary for this program for each fiscal years 1991 through 1995.

The Conference substitute adopts the Senate provision with an amendment deleting the sums as are necessary authorization and substituting the following amounts: $10,000,000 in FY 1990; $20,000,000 in FY 1991; $30,000,000 in FY 1992; $50,000,000 in FY 1993; and $75,000,000 in fiscal years 1994 through 2000.

Subtitle H—Miscellaneous Research Provisions

Sec. 1668. Biotechnology risk assessment research

(57) Biotechnology Risk Assessment Research (S 1476; H 1377)

The Senate bill directs the Secretary to establish a biotechnology risk assessment research program. The purpose of the program is to: (1) support environmental assessment research to address general concerns; and (2) aid regulators in making timely decisions concerning introduction of the technology.

An open competition grant program is established within CSRS to include funds for: (1) methods to contain genetically engineered fish, plants, and microorganisms in the environment; (2) methods to monitor the dispersal of genetically engineered organisms; (3) investigating potential gene transfer between modified organisms and wild and agriculture system organisms.

The Secretary is directed to consult with the Animal and Plant Health Inspection Service, and any existing Office of Agriculture Biotechnology and Agriculture Biotechnology Research Advisory Committee are authorized concerning research areas. Such sums as necessary for the program.

The House amendment is similar to the Senate provision with the one difference: the Secretary shall withhold from the outlays of USDA for research on biotechnology as defined and determined by the Secretary, at least 1 percent of such amount for the purpose of making grants for this program.

The Conference substitute adopts the House provision.

Sec. 1670. Livestock product safety and inspection program

(58) Livestock Product Safety and Inspection Program (S 1497C)

The Senate bill establishes a livestock product safety and inspection program. The Assistant Secretary of Science and Education may provide special grants to assist efforts to improve the efficiency and effectiveness of safety and inspection systems for livestock. Entities receiving grants must provide non-Federal contributions of at least 50 percent; such contributions may be in kind. Such sums as necessary are authorized for this program.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

Sec. 1671. Plant genome mapping program

(59) Plant Genome Mapping Program (S 1414(3); H 1383(a), (b), (c), (h)

The Senate bill includes a provision adding a genome mapping program to the responsibilities of the Secretary.

The House amendment requires the Secretary to conduct a research program for the purpose of: (1) supporting basic and applied research and technology development in the area of plant genome structure and function; (2) providing U.S. leadership in biotechnology; and (3) providing crop varieties that may be cultivated profitably without negatively affecting the environment.

The Secretary may make competitive grants, for periods not to exceed five years, to various organizations and individuals for research projects in identified research areas. Grants shall be awarded in the following research areas: (1) construction of plant genome maps; (2) identification, characterization, transfer, and expression of genes of agricultural importance; (3) technology development in the areas of plant genome mapping, sequencing, gene transfer, and data management; (4) research on microorganisms associated with plants, such as plant pathogens and plant symbionts.

The Secretary shall: (1) not later than 90 days after the date of the enactment of this Act submit to the Congress a detailed plan for awarding grants under this section; (2) coordinate activities under this section with related activities sponsored by the National Science Foundation, National Institute of Health, Department of Energy, and Department of Commerce; (3) require (when the Secretary considers it to be appropriate) licensing and patent agreements, copyright fees, royalties, or other fee arrangements on the sales of products and new uses, applications, technologies, or processes developed through assistance provided under this section; and (4) submit to the Congress an annual report describing the operations of the grant program authorized by this section during the preceding fiscal year. Such sums as may be necessary to carry out this section are authorized.

The Conference substitute adopts the House provision.

Sec. 1672. Specialized research programs

(60) Lean Content (S 1408(c)(12); H 1305(b), (g))

The Senate bill includes research on lean content among several purposes for agriculture research.

The House amendment authorizes research in the development of technology which will ascertain the lean content of animal carcasses to be used for human consumption.

The Conference substitute adopts the House provision with an amendment prohibiting construction and requiring peer review.

(61) ARS Facility. (H 1305(g))

The House amendment authorizes enhanced ethanol research at the Agriculture Research Center located at Peoria, Illinois, by allowing the Center to enter into contracts, cooperative agreements and the exchange of scientific information with regard to ethanol research with the Department of Energy to further carry on and enhance ethanol research. The Agriculture Research Center located at Peoria, Illinois shall be referred to as the National Center for Agricultural Utilization and Research.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment to changing the name to the National Center for Agriculture Utilization Research, prohibiting construction, and requiring peer review.

(62) Aflatoxin Research (H 1385)

The House amendment authorizes the Secretary to conduct a research program for the purpose of determining the presence of aflatoxin in the food and feed chains in several areas which are outlined.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment prohibiting construction and requiring peer review.

(63) Grants for Mesquite and Prickly Pear Research (H 1389)

The House amendment establishes a research program for the purpose of developing enhanced production methods and commercial uses of mesquite. Several purposes of the research are delineated. The amendment also establishes a research program for the purpose of investigating enhanced genetic selection and processing techniques of prickly pears. Several purposes of the research are delineated. For both programs, the Secretary shall make competitive grants, for periods not to exceed five years, to a state agricultural experiment station, state land-grant college or university, or a consortium of such entities.

For the purposes of mesquite research, $100,000 is authorized for each of the fiscal years 1991 through 1995 and $100,000 for each of the same fiscal years for prickly pear research. Research funded under this section shall be subject to peer review at the end of the second and fourth year of such research, for the purpose of reviewing the progress and efficacy of the research and the justification and need for continued funding.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment prohibiting construction and requiring peer review.

(64) Immunoassay Research (H 1391(a))

The House amendment establishes a program to make grants to land-grant colleges and universities for research relating to immunoassay used to detect residues and diagnose animal and plant diseases. The Secretary may give preference to those land-grant colleges and universities that, as of the date of the enactment of this Act, are conducting such research.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment broadening institution eligibility, prohibiting construction, and requiring peer review.

(65) Grants for Niche Market Development (H 1394)

The House amendment requires the Secretary to make research and extension grants available for the development of agriculture production and marketing systems that will service niche markets located in nearby metropolitan areas. In awarding such grants, the Secretary shall pay particular attention to areas with a high concentration of small farm operations and that experience difficulty in delivering products to the market due to geographic isolation. Such sums as may be necessary are authorized for this section.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment prohibiting construction and requiring peer review.

(66) Scrapie Research (H 1396)

The House amendment directs the Secretary to establish a research program to study the disease of scrapie and methods for detection, treatment, prevention, and control of scrapie. The Secretary may make grants to and contract with Federal, State, and local agencies. Such sums as necessary are authorized for this program.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment prohibiting construction and requiring peer review.

(67) Deer Tick Ecology Research (H 1397)

The House amendment authorizes an annual appropriation of $250,000 to assist research on deer ticks and other pests that transmit Lyme disease.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment prohibiting construction and requiring peer review.

(68) New Commercial Products from Natural Plant Materials (S 1490)

The Senate authorizes the Secretary to conduct research related to the development of new commercial products derived from natural plant materials for industrial, medical, and agricultural applications.

The House has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment prohibiting construction and requiring peer review.

Sec. 1673. Agricultural telecommunications program

(69) Agriculture Telecommunications Program (S 1491; H 1386)

The Senate bill establishes a program to encourage the development and utilization of an agriculture communications network to facilitate and to strengthen agriculture extension, resident education and research, and domestic and international marketing of U.S. commodities and products through a partnership between eligible institutions and the USDA. The program will employ a communications network to disseminate and to share academic instruction, cooperative extension programming, agriculture research, and marketing information.

The objectives of the program are to: (1) make optimal use of resources by sharing resources between participating institutions; (2) improve the competitive position of U.S. agriculture in international markets by disseminating information to producers, processors, and researchers; (3) train students for careers in agriculture and food industries; (4) facilitate interaction among leading agriculture scientists; (5) enhance the ability of United States agriculture to respond to environment and food safety concerns; and (6) identify new uses for farm commodities and to increase the demand for U.S. products.

Several definitions are provided including: (1) eligible institution means any Land Grant, agriculture institution of a foreign country that participates with any such Land Grant, and any other educational institution that the Secretary determines appropriate; (2) communications network refers to signal conversion equipment (including both modulators, demodulators and satellites), computer hardware and software, terminals, or related devices, used to process and exchange data through a telecommunications system in which signals are generated, modified or prepared for transmission, or received, via telecommunications terminal equipment and telecommunications transmission.

The Secretary shall establish a program, to be administered by the Assistant Secretary for Science and Education. The Secretary may approve all or part of any application submitted by an eligible institution. Applications may include requests to fund program production or program delivery, or both.

The Secretary shall establish procedures to ensure a broad dissemination of programming, giving a preference to applications that: (1) are submitted by institutions affiliated with an established agriculture telecommunications network that distributes programs to a wide geographical area; or (2) demonstrate the need for such assistance, taking into consideration the needs and the financial ability of the applicants to otherwise secure or create the telecommunications system.

The Secretary may provide funds totaling not more than 50 percent of the cost of a proposal unless the Secretary determines that an institution would otherwise be unable to carry out the proposal in which case the Secretary may provide funds totaling up to 100 percent of the cost. The Secretary may allocate not more than 10 percent of the funds appropriated under this section for the acquisition and installation of telecommunications transmission facilities. For the purpose of Agriculture Telecommunications program, $12,000,000 is authorized for each of the fiscal years 1991 through 1995.

The House amendment establishes a similar program with slight differences in definitions: (1) eligible institution means an accredited institution of higher education determined by the Secretary to be able to meet the objectives of the program; and (2) communications network refers to television or cable television origination or distribution equipment, signal conversion equipment (including both modulators and demodulators), computer hardware and software, programs or terminals, or related devices, used to process and exchange data through a telecommunications system in which signals are generated, modified, or prepared for transmission, or received, via telecommunications terminal equipment or via telecommunications transmission.

The Conference substitute adopts the House provision. The Managers intend that grants under this program will be awarded in open competition and that land grant colleges and universities are eligible to compete for such funding.

Sec. 1674. Commission on agricultural research facilities

(70) Research Facilities (S 1494)

The Senate establishes an Agriculture Research Facilities Planning and Closure Study Commission. This section provides for an extensive review of Federally funded agricultural research facilities. An agriculture research facility is defined as an existing ARS or Forest Service facility, an agriculture facility in the process of being planned or being constructed using Federal funding or a planned agriculture facility that will use Federal funding, or any other facility under the jurisdiction of the Secretary.

The Secretary shall establish the Commission which shall be composed of 14 members: two appointed by the Secretary; three appointed by the Chairman and three by the Ranking Minority Member of Senate Agriculture Committee; and three appointed by the Chairman and three by the Ranking Minority Member of the House Agriculture Committee. The Commission shall review all currently operating and planned agriculture facilities for research importance; identify those facilities that should be closed, realigned, consolidated, or modernized; and develop recommendations concerning facilities and evaluate the facilities acquisition and modernization system utilized by USDA and recommend improvements in such system. Not later than 240 days after enactment the Commission shall submit a report concerning its findings and recommendations to the Secretary and Congress. Such sums as necessary are authorized to carry out this section.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

Sec. 1675. National centers for agricultural product quality research

(71) National Centers for Agriculture Product Quality Research (H 1390)

The Senate bill has no comparable provision.

The House amendment establishes a program for national centers for product quality research. The purposes of the National Centers are to: (1) serve as regional or commodity specific agriculture quality research and education focal points involving one or more university and Federal participants; (2) take advantage of opportunities, and establish linkages between universities and other entities with expertise, in basic biology and engineering, the development of new technology, the application of technology to practice, and related quality assurance and regulatory activities; (3) develop and enhance explicit cooperative relationships; (4) provide a mechanism for dealing with the safety and wholesomeness of new food products and processes that use biotechnology; (5) provide factual public information about agriculture product quality and wholesomeness; (6) build on existing institutional strengths and commitments; (7) serve as a management focal point for grants that deal with agriculture product quality research, extension, and teaching; and (8) to conduct research and education on the full spectrum of production, processing, transportation, and marketing for commodity classes.

The Secretary shall make grants to establish the centers. Such grants establishing centers shall be competitively awarded. Grants may be awarded for periods of up to five years and may be renewed in competition with demonstration of adequate performance. The primary institution involved in a center shall be a land-grant college. Non-Federal sponsors of a center shall contribute an amount of funds for operation of the center equal to not less than the amount awarded by the Federal Government. A program plan shall be submitted to the Congress for review at intervals of not less than once every three years. USDA must review the centers annually. Such sums as necessary are authorized for each of the fiscal years 1991 through 1995. Funds shall be appropriated through CSRS.

The Conference substitute adopts the House provision with an amendment deleting findings and prohibiting construction.

Sec. 1676. Turkey research center

(72) Turkey Research Center (H 1395(a))

The House amendment authorizes to be appropriated $500,000 for fiscal year 1992 to be used by the ARS for planning purposes in the establishment of a facility to be known as the Agriculture Turkey Research Center to be located in Pelican Rapids, Minnesota, and operated in cooperation with the North Dakota State University.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

Sec. 1677. Reservation extension agents

(73) Reservation Extension Agents (S 1486; H 1398)

The Senate bill directs the Secretary to establish reservation extension agents to provide service to Indian Reservations and tribal jurisdictions. The Secretary is required to consult with the Bureau of Indian Affairs, the Intertribal Agriculture Council and the Southwest Indian Agriculture Association in developing such a program. The Secretary, in consultation with above entities, shall consider agriculture acreage, soil classifications, and the population of Reservations in making agent placement decisions. Such sums as necessary are authorized to be appropriated.

The House amendment is similar to the Senate provision with the following additional requirements: (1) In cases where a reservation or tribal jurisdiction covers two or more states, the Secretary shall make a determination of administrative responsibilities; (2) Program Advisory Committees are established; and (3) when possible, individuals representative of the tribal group or local people being served should be selected as staff.

The Conference substitute adopts the House provision with an amendment making the establishment of an advisory committee discretionary with the State Extension Director.

Sec. 1678. Special grant to study constraints on agricultural trade

(74) Study on Constraints on Agricultural Trade (H 1388)

The House amendment requires the Secretary to provide at least two special grants to land-grants to conduct a study that will evaluate the trade impacts of technical barriers, quality factors, and end-use characteristics in agriculture trade to determine whether such factors are consistent among commodities. Objectives of the study are established. The Secretary shall report, not later than 18 months after enactment, the results of the study grants to the House and Senate Agriculture Committees.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

Sec. 1679. Pilot project to coordinate food and nutrition education programs

(75) General Authorization of Appropriations (S 1414; H 1301(b)(4))

The House amendment provides for a five year pilot project to make grants to not more than two States to implement a plan to better coordination and efficiency in delivery of nutrition education and to evaluate the results. One-half of one percent of the ES funds each fiscal year shall be for the purpose of implementing this project.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment that: deletes the earmark, expands the pilot program eligibility to not less than two States, and provides such sums as necessary to carry out the program. The Managers note that this pilot program is related to the Expanded Food and Nutrition Education Program of the ES authorized under the Nutrition title of this Act.

Sec. 1680. Assistive technology program for farmers with disabilities

(76) Farmers with disabilities (S 1496; H 1842)

The Senate bill authorizes the Secretary to make demonstration grants to private nonprofit disability organizations to enable such organizations to initiate or expand community-based direct service programs that provide on-site rural rehabilitation and assistive technology for individuals with physical disabilities, and their families, who are engaged in farming or farm-related occupations.

Grants shall be awarded to State ES agencies to enable such agencies to contract with private nonprofit community-based direct service organizations. No grant shall be awarded under this subsection in an amount that is less than $150,000. Not less than $3,000,000 is authorized for each fiscal year 1991 and 1992, and not less than $5,000,000 for each of the fiscal years 1993 through 1996.

The sum of $1,000,000 is authorized for a national grant for technical assistance, training and dissemination.

Such sums as are necessary are authorized to carry out a rural health infrastructure improvement demonstration project.

The House amendment has a similar provision without the list of eligible programs for grants.

The Conference substitute adopts the Senate provision clarifying that grants are competitive and by striking physical before disabilities.

Sec. 1681. Research on honeybee diseases

(77) Research on honeybee diseases (S 1042)

The Senate bill provides a sense of the Congress that: (1) diseases that affect the whole population of bees will also affect crop pollination and honey production; (2) some diseases pose a threat to the general population and should be studies; and (3) the Secretary should give priority to those diseases affecting the whole bee population.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

Sections Deleted:

(78) Responsibilities of the Secretary (S 1414)

The Senate bill adds two responsibilities to the existing law requiring the Secretary to: (1) establish a plant and animal genome mapping program; and (2) coordinate activities to preserve and document germplasm.

The House amendment provides no comparable provision.

The Conference substitute adopts the House provision thereby deleting this Section.

(79) Alternative Uses Study (S 1427)

The Senate bill encourages the Secretary to conduct a study on new uses and within six months and annually thereafter, report to the Congress on new uses development and strategies.

The House amendment contains no comparable provision.

The Conference substitute adopts the House provision, deleting the Senate provision.

(80) Tribally Controlled Community Colleges (S 1485)

The Senate bill requires the Secretary to make annual grants to accredited tribally controlled community colleges of $50,000 per institution for use in instruction at colleges that support food and agriculture sciences. Such sums as necessary are authorized.

The House amendment has no comparable provision.

The Conference substitute adopts the House position, deleting the Senate provision.

(81) National Community Development Award (S 1487)

The Senate bill directs the Secretary to establish the National Community Development Award for land-grant complexes that demonstrate outstanding commitment to mission-based integrated research and extension programs that: (1) contribute to local communities; (2) are in areas of research approved by the Agriculture Science and Technology Review Board; and (3) best reflect the priorities set forth in this title. Not less than 5 awards per year are to be established. The Secretary may establish nominating and selection committees.

The House amendment has no comparable provision.

The Conference substitute adopts the House position, deleting the Senate provision.

(82) Sense of Congress Regarding Formula Funding for Agriculture Research and Extension (S 1488)

The Senate bill is a statement of the sense of Congress. It is the sense of Congress that any increase in the amount of funds for competitive grants should not be derived from a reduction in formula funding. Formula funding programs should be funded at a level that will maintain an effective research infrastructure to conduct agriculture research and tech transfer programs.

The House amendment has no comparable provision.

The Conference substitute adopts the House position thereby deleting the Senate provision.

(83) Federal Matching Funds for Market Expansion Research (H 1301(d)(3))

The House amendment extends the program through fiscal year 1995.

The Senate bill has no comparable provision.

The Conference substitute adopts the Senate provision thereby allowing the program to expire.

(84) Zebra Mussels (S 1497A)

The Senate bill establishes an interagency research, design criteria and eradication program on zebra mussels, *Dreissena polymorpha*, as they affect agriculture irrigation systems. The Secretary and the Assistant Secretary of the Army for Civil Works, in consultation with the U.S. Fish and Wildlife Service and the Environmental Protection Agency shall develop the program. For the purpose of zebra mussels research, $2,000,000 is authorized for USDA and $2,000,000 for the Secretary of the Army for Civil Works for each of the fiscal years 1991 through 1995.

The House amendment has no comparable provision.

The Conference substitute adopts the House position thereby deleting the Senate provision.

(85) Study on Grading and Meat Exports (H 1355B)

The House amendment requires the Secretary to establish a research program to determine if allowing destination based grading would facilitate the export of U.S. meat products.

The Senate bill has no comparable provision.

The Conference substitute adopts the Senate provision thereby deleting the House provision.

(86) Public Education Concerning Tobacco use (H 1399)

The House amendment directs the ES, in consultation with the Office on Smoking and Health in the Centers for Disease Control in Health and Human Services, to carry out a program of public education on the hazards of tobacco use and the advantages of quit-

ting or not starting tobacco use. For the purpose of this program, $10,000,000 annually is authorized.

The Senate bill has no comparable provision.

The Conference substitute adopts the Senate provision thereby deleting the House amendment.

TITLE XVII—FOOD STAMP AND RELATED PROVISIONS

(1) Sec. 1701. Short title

The House amendment stipulates that this title be cited as the "Mickey Leland Memorial Domestic Hunger Relief Act." (Sec. 1700(a))

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

The Managers wish to name this title of the farm bill after their colleague Congressman Mickey Leland, who died last year on a humanitarian mission to Ethiopia. Significant and substantive improvements to Federal food assistance programs had been included in the House and Senate bills as introduced, however, because of the budget crisis facing the Nation most were not able to be included in this title. Nevertheless, the programs upon which needy families depend are reauthorized and some improvements are included in the final product. The Managers wish to express their disappointment that important changes and improvements to the Federal food assistance programs could not be included. The original goals remain: to reduce hunger and malnutrition for children, promote self-sufficiency, and improve the programs upon which needy families depend. The Managers are hopeful that the important and necessary improvements can be made in the future.

(2) Sec. 1711. References to the Food Stamp Act of 1977

The Senate bill stipulates that "whenever in this title an amendment is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) except to the extent otherwise specifically provided." (Sec. 2401)

The House amendment contains a similar provision. (Sec. 1700(b))

The Conference substitute adopts the Senate provision.

Subtitle A—Food Stamp Program

(3) Sec. 1712. Recipients of aged, blind, and disabled benefits in the territories

The Senate bill provides that recipients of benefits for low-income aged, blind, and disabled persons in Guam and Virgin Islands (1) be allowed to use food stamps for meals in senior citizens centers, private establishments offering meals at reduced prices, and other approved meal-service facilities, and (2) when they live in approved group living arrangements, be treated as individual households and allowed to use food stamps for meals served in the group home. (Sec. 2475(a))

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

Sec. 1713. Restaurant meals at concessional prices for the homeless

The Senate bill provides that States may approve restaurants to accept food stamps in exchange for meals for the homeless. Each such restaurant must contract with the State to provide meals at concessional (reduced) prices to homeless participants. (Sec. 2411)

The House amendment is similar to Senate bill. (Sec. 1708)

The Conference substitute adopts the House provision with a technical amendment.

(4) Sec. 1714. Categorical eligibility for recipients of general assistance

The Senate bill extends categorical eligibility ("automatic" eligibility for food stamps) to recipients of State or local general assistance (GA) benefits where the GA program meets standards set by the Secretary to assure that it serves primarily people appropriate to be categorically eligible. However, persons ineligible under section 6 or 16(e)(1) of the Food Stamp Act would continue to be ineligible. (Sec. 2431)

The House amendment makes categorically eligible for food stamp participation recipients under State general assistance programs that the Secretary certifies serve a population appropriate to be categorically eligible for assistance under the Food Stamp Act. (Sec. 1725)

The Conference substitute adopts the Senate provision with a technical amendment.

(5) Sec. 1715. Exclusion of education benefits

The House amendment provides for the exclusion from income of all education loans on which payment is deferred, grants, scholarships, and the like: (1) to the extent that they are used for tuition and mandatory school fees, including the rental or purchase of any equipment, materials, and supplies required to pursue the course of study involved at an institution of post-secondary education, a school for the handicapped, a vocational education program, or a program that provides for completion of a secondary school diploma or the equivalent, (2) to the extent that they do not exceed the amount made available as an allowance determined by such school, for books, supplies, transportation, and other miscellaneous personal expenses (other than living expenses) of the student incidental to attending the school, and (3) to the extent loans include any origination fees and insurance premiums.

The House amendment also excludes the earnings of eighteen year old high school students.

The House amendment further provides that students cannot receive an exclusion from income for expenses that have been paid by educational assistance if such educational assistance has already been excluded from income. (Sec. 1717(b))

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment deleting the provision that would exclude the earnings of eighteen year old high school students.

(6) Sec. 1716. Exclusion of clothing allowances.

The House amendment excludes from consideration as income any "back-to-school" clothing allowance provided by a State agency no more frequently than annually. (Sec. 1705(a))

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment to ensure that public assistance payments are not reduced to take advantage of this provision.

The Managers wish to clarify that the amendment adopted by the Conference is intended to ensure that States do not merely rename part of their regular AFDC grants as "clothing allowances" for one month to take advantage of this exclusion. It is not intended to deny the exclusion to recipients in those States that have reduced public assistance grants generally and have provided special annual clothing allowances.

(7) Sec. 1717. Excess medical expense deduction

The Senate bill requires States to rely on reasonable estimates of expected medical expenses for the food stamp certification period (based upon verified costs and available information). The household's medical deduction would then be based on these estimates and the State could not require further reporting or verification of a change in medical expenses if such a change has been anticipated. (Sec. 2441)

The House amendment clarifies that State agencies may not require further verification of a change in medical expenses if such change has been anticipated by the State agency for the certification period. (Sec. 1741)

The Conference substitute adopts the Senate provision.

The Managers wish to point out that legislation introduced in the Senate would prevent amounts withheld from social security recipients' monthly checks to pay Medicare premiums from counting as income to the recipients' households. Although this legislation is not within the scope of the Conference, the Managers believe this suggestion deserves attention. The Managers also urge the Secretary to establish some mechanism for ensuring that food stamp households who use their own funds to pay Medicare premiums, and who appear to be entitled to have that premium paid for by Medicaid, receive appropriate referrals and that all such households be made aware of the excess medical expense deduction and the procedure for claiming it.

(8) Sec. 1718. Monthly reporting

The Senate bill replaces the existing provisions requiring monthly reporting of retrospectively budgeted households with provisions permitting State agencies not to require monthly reporting of retrospectively budgeted households; instead, these households could be permitted to report changes in income as they occur.

The Senate bill permits State agencies to implement the existing provisions requiring monthly reporting of retrospectively budgeted households during the period beginning October 1, 1988 and ending 120 days after enactment.

The Senate bill further requires that errors resulting solely from a State agency's having implemented the existing provisions requiring monthly reporting of retrospectively budgeted households not be included in calculating payment error rates for "quality control" purposes. (Sec. 2475(b))

The House amendment is the same as the Senate bill except: (1) it replaces existing provisions requiring monthly reporting of retrospectively budgeted households retroactively to October 1, 1988, rather than making implementation of existing provisions of law optional retroactively; (2) it adds a requirement that no retrospectively budgeted household would have its food stamp allotment for any month based on AFDC, SSI, or general assistance income received in two or more separate months; and (3) it adds a requirement that, for retrospectively budgeted households not required to report monthly, State agencies must establish procedures for the prompt adjustment of benefits to households who suffer severe hardship. (Sec. 1729(a) and (c))

The Conference substitute adopts the Senate provision.

The Managers are aware that the Department has been involved in litigation concerning the budgeting of certain kinds of payments. By not adopting the House language, the Managers do not intend to take a position on those issues that remain subject to litigation.

(9) Sec. 1719. Simplifying resource and eligibility determinations

The Senate bill requires the Secretary to promulgate rules by which State agencies must develop standards for identifying kinds of resources that, as a practical matter, the household is unlikely to be able to sell for any significant return because the household's interest is so slight or because of the high cost of selling the household's interest. Resources so identified must be excluded from income as inaccessible resources. (Sec. 2432)

The House amendment is similar to the Senate provision, but it also provides that any resources of a household member who receives supplemental security income benefits under Title XVI of the Social Security Act or who receives aid to families with dependent children benefits under Title IV of the Social Security Act may be deemed, at State option, to be exempt from the resource requirements prescribed under 5(g), if exempt for purposes of the Social Security Act. (Sec. 1723)

The Conference substitute adopts the House provision, with an amendment to include receiving Title XVI benefits in the territories.

(10) Sec. 1720. Emergency food for disaster victims

The Senate bill requires the Secretary to: (1) provide emergency allotments to eligible households to replace food destroyed in a disaster; (2) provide for replacement of the value of food actually lost up to a limit not greater than the applicable maximum monthly allotment for the household size; and (3) provide flexible reporting and other application requirements, taking into consideration the availability of the State agency's offices and personnel and any damage to or disruption of transportation and communication facilities. (Sec. 2412)

The House amendment contains a similar provision. (Sec. 1704)

The Conference substitute adopts the House provision with a technical amendment.

(11) Sec. 1721. Transitional housing

The Senate bill excludes from household incomes the third-party (or vendor) payments local or State governments make to transitional housing providers. The Senate bill defines "transitional housing" to mean a project whose purpose is facilitating the movement of homeless individuals to independent living within a reasonable period of time. (Sec. 2421)

The House amendment excludes from income for food stamp purposes a portion of housing assistance payments made to a third party on behalf of a household residing in transitional housing. The amount to be excluded is equal to 50 percent of the maximum shelter allowance provided to families not residing in such transitional housing under a State's plan for aid to families with dependent children approved under part A of title IV of the Social Security Act. [Note: Under the House amendment, that part of the third-party payments that exceeds (does not simply replace) the shelter allowance portion of a regular AFDC (or general assistance) grant would continue to be fully disregarded, in addition to the required one-half disregard.] (Sec. 1718)

The Conference substitute adopts the House provision.

The Managers understand transitional housing means a project that has as its purpose facilitating the movement of homeless individuals to independent living within 24 months (or a longer period if necessary to facilitate the transition to independent living.) Transitional housing includes housing primarily designed to serve deinstitutionalized individuals and other homeless individuals with mental disabilities, and homeless families with children.

(12) Sec. 1722. Exclusion of general assistance payments

The House amendment excludes from all income all vendor payment assistance provided under a general assistance program, except that provided for housing. (Sec. 1705(b)(1))

The House amendment also excludes from income all assistance provided to a third party on behalf of a household under a State or local general assistance program, or comparable program, if by State law no such assistance may be provided directly to the household in the form of a cash payment. (Sec. 1705(b)(2))

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment to strike the provision excluding from income all vendor payment assistance provided under a general assistance program, except that provided for housing.

(13) Sec. 1723. Budgeting and monthly reporting on reservations

The Senate bill provides that the USDA food packages provided through the Food Distribution Program on Indian Reservations would be increased by about 10 percent. Also, the variety of foods would be increased to better address the nutritional problems faced by participants such as hypertension, diabetes and the malabsorption of certain nutrients. (Sec. 2477)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with a substitute amendment deleting the required increases in the size and variety of the food packages in FDPIR, and substituting provisions: (1) clarifying the procedure used to supplement benefits when staggered issuance of food stamps is implemented; (2) requiring the staggered issuance of food stamps on reservations; and (3) prohibiting monthly reporting and retrospective budgeting for households residing on reservations.

The Managers recommend that the Department put expiration dates on foods supplied to recipients participating in the Food Distribution Program on Indian Reservations. These dates will greatly assist participating families in knowing when they should use these commodities in food preparation.

(14) Sec. 1724. Periodic eligibility information reports

The House amendment removes the requirement that the State agency-designed forms used by households when filing periodic eligibility information reports approved by the Secretary. It also provides that these reports be considered complete if they contain the information relevant to eligibility and benefit determinations that is specified by the State agency. (Sec. 1713)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

(15) Sec. 1725. Selection of household head by household

The House amendment adds the requirement that a State agency allow a household to select an adult parent of children in the household as its head where all adult household members applying agree to the selection. (Sec. 1714)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment limiting the selection of the head of household by the household to the time of certification or when there is a change in the household composition.

(16) Sec. 1726. Expansion of employment and training program

The Senate bill allows States to include initiatives in their employment and training (E&T) program to help food stamp recipients become self-employed.

The Senate bill requires that the Secretary conduct a demonstration project to give a priority in an E&T program to volunteers (persons not required to participate). Giving this priority does not excuse the State from compliance with performance standards. The demonstration project could not be used to circumvent any Job Opportunities and Basic Skills Program (JOBS) requirements. (Sec. 2422)

The Senate bill excludes from financial resources in calculating a household's eligibility non-liquid resources necessary to allow a household to carry out a plan for self-sufficiency.

The House amendment is similar to the Senate provision, except that it amends the definition of "employment and training program". It specifically includes programs or activities that improve literacy and programs designed to increase the self-sufficiency of recipients through self-employment.

The House amendment allows four States to give priority in the provision of employment and training services to voluntary participants, but provides that giving such priority does not excuse the States from compliance with performance standards. It also allows the Secretary to approve additional States' requests to grant volunteers priority if the Secretary reports to Congress on the number and characteristics of voluntary participants (and other information determined appropriate).

The House amendment increases the limit for reimbursements to recipients for the costs incurred in employment and training activities, other than dependant care costs, from $25 to $75 per month. (Sec. 1715)

The Conference substitute allows two States to conduct demonstration projects giving priority to volunteers under the E&T program. It also permits self-employment initiatives and exempts from resource calculations resources necessary for these initiatives. The Conference substitute specifically includes literacy programs as components of employment and training programs. It also delays the date by which State agencies must implement new performance standards from April 1, 1991 to October 1, 1991.

(17) Sec. 1727. Eligibility for students

The Senate bill provides that no individual who is a member of a household otherwise eligible to participate in the food stamp program under this section is eligible to participate in the food stamp program as a member of that or any other household if he or she is enrolled at least half time in an institution of higher education unless he or she:

(1) is under age eighteen or is age 50 or older;

(2) is not physically and mentally fit;

(3) is attending or assigned to in an institution of higher education through the Job Training Partnership Act, an employment and training program, a program under section 236 of the Trade Act of 1974, or another E&T program operated by a State or local government;

(4) is employed a minimum of twenty hours per week or participating in a State or federally financed work study program;

(5) is a parent with responsibility for the care of a dependent child under age six or a parent with responsibility for the care of a dependent child above the age of five and under the age of twelve for whom adequate child care is not available to enable such individual to attend class and satisfy the work requirements;

(6) is receiving aid to families with dependent children; or

(7) is so enrolled as a result of participation in the work incentive program under Title IV of the Social Security Act or a successor program. (Sec. 2424)

The House amendment is similar to the Senate provision, except that it makes eligible for food stamps: those in JTPA, trade adjustment assistance act, and State programs who are "assigned to or placed in" school, as opposed to "attending or assigned to" school under these programs; and single parents with responsibility for the care of a dependent child between the ages of 6 and 12 who are enrolled in school full time. (Sec. 1717(a))

The Conference substitute adopts the House provision with an amendment adding participation in a local government employment and training program to the list of requirements to be met by eligible post-secondary students in order to receive food stamps, granting the Secretary the authority to approve qualifying State and local training programs, and making technical changes.

The Managers expect that in implementing the provisions regarding eligibility of post-secondary students, the Secretary will permit eligibility in cases in which assignment or placement in an institution of higher education is made for the food stamp program by a JTPA program under contract with the State agency administering E&T programs for food stamp recipients.

(18) Sec. 1728. Staggered issuances; reservations

See Sec. 1723 for description of Conference action.

(19) Sec. 1729. Electronic benefits issuance

The House amendment provides that a State agency may, with the approval of the Secretary, implement an on-line electronic benefit transfer (EBT) system in which household benefits are issued from and stored in a central data bank and electronically accessed by household members at the point-of-sale. The House amendment directs the Secretary to issue final regulations, effective no later than April 1, 1992, that establish standards for the approval of such a system. Where participation of households is not voluntary, such EBT projects must include a "sufficient" number of retail stores and all check-out lines must have necessary equipment. (Sec. 1707)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment specifying: (1) that all registers be equipped with EBT equipment in stores in which food stamp sales are 15 percent or more of the total dollar value of food sales; (2) that in stores in which food stamp sales are less than 15 percent of the total food sales, the number of registers equipped shall be sufficient, as determined by the Secretary, to provide food stamp recipients with a level of service comparable to that provided all other customers; (3) that all reasonable start-up costs are to be amortized in determining the cost-effectiveness of a proposed EBT system; and (4) that nothing in this provision is to diminish the Secretary's authority to approve EBT demonstration projects.

The Managers expect that the Secretary will continue approval of EBT demonstration projects. Additional projects will add to the knowledge and expertise necessary to ensure successful implementation of EBT nationwide.

The Managers intend that the standards set for the number of registers that must be equipped with EBT equipment are minimum standards only.

The Managers direct the Secretary to provide in the applicable regulations that: EBT-equipped registers should be available to all customers; registers equipped with EBT equipment may not be explicitly designated for food stamp recipients; the interpretation of the term "sufficient lanes" should take into account the variation of food stamp sales volumes from store to store; and the EBT-equipped registers should be the last to close. The regulations should include, but not be limited to, these provisions.

The Managers strongly encourage States to take advantage of equipment in use for commercial applications, believing that the practice of "piggybacking" EBT on commercial applications of electronic funds transfers could significantly reduce the cost to States.

In addition, the Managers would like to highlight a problem that currently exists in the shipping of food coupons across interstate lines by armored carriers. Armored car crew members employed by companies licensed by the Interstate Commerce Commission are required to have a valid license to carry a handgun or firearm by a gun licensing body or agency located in the crewmember's place of domicile. It is, however, impossible to get a gun permit in every jurisdiction. This creates a situation in which licensed carriers are in violation of State handgun laws when they cross interstate lines to deliver United States government property.

USDA figures show that during the month of July, 1990, a total of $839,929,000 in food stamp coupons was shipped by armored carrier. In a recent incident in New York, an armored carrier from New Jersey was pulled over and the driver arrested for possessing a handgun. USDA had to incur an additional cost of $3,425 to complete the delivery.

While the Managers do not wish to address this issue in this legislation, it is important to highlight this problem as one that should be addressed in the near future.

(20) Sec. 1730. Minimum benefit

The House amendment requires that the current $10 a month minimum benefit for one- and two-person households be adjusted for food price inflation (as reflected by changes in the cost of the thrifty food plan) each October 1 and rounded to the nearest $5. (Sec. 1742)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with a technical amendment.

(21) Sec. 1731. Issuance of aggregate allotments

The Senate bill allows States to give households with benefits at or below $20 per month the option of receiving up to three months' benefits at once in a single allotment—households would be allowed to receive up to $60 in coupons. Benefits would be provided in accordance with regular and expedited processing standards (except that no household would begin to receive combined allotments until it has complied with all applicable verification requirements). (Sec. 2443)

The House amendment is similar to the Senate provision, except that it requires State agencies to establish a claim for the amount of any aggregated benefits for which the household becomes ineligible. (Sec. 1743)

The Conference substitute adopts the House provision with an amendment limiting implementation of the provision to not more than two demonstration projects in two States, deleting the requirement to establish claims, and making a technical amendment.

(22) Sec. 1732. State flexibility in assisting households

The Senate bill makes optional the provision that requires States to issue combined first and second months' allotments to households applying after the fifteenth of the month. States not electing to issue combined allotments would be required to provide households eligible for "expedited service" with their first full month's allotment no later than the first business day of the month following application. (Sec. 2433)

The House amendment contains no comparable provision.

The Conference substitute permits States to aggregate first and second months' allotments to those households applying after the fifteenth of the month and who are not eligible for expedited service. States would be required to aggregate first and second months' allotments for those households applying after the fifteenth of the month and who qualify for expedited service.

(23) Sec. 1733. Periodic reauthorization of retail food stores and wholesale food concerns

The House amendment authorizes the Secretary to issue regulations providing for a biennial reauthorization of retail food stores and wholesale food concerns that accept and redeem coupons under the food stamp program. (Sec. 1762)

The Senate bill contains a similar provision. (Sec. 2453)

The Conference substitute adopts the House provision with an amendment changing "biennial" reauthorization to "periodic" reauthorization.

(24) Sec. 1734. Authorization of wholesale food concerns

The Senate bill prohibits wholesalers "co-located" with a retail food store from being authorized to accept food stamps at the same location unless they do a substantial volume of retail food business or the Secretary determines that households would suffer hardship if the business was not authorized to take food stamps. (Sec. 2451)

The House amendment contains the same bar on authorization for "combined" wholesale and retail food concerns. (Sec. 1761)

The Conference substitute adopts the Senate provision.

(25) Sec. 1735. Required submission of certain identifying information by retail food stores and wholesale food concerns

The Senate bill requires retail food stores applying for authority to accept and redeem food stamps to provide the social security numbers of their officers, owners and on-site managers. (Sec. 2452)

The Senate bill requires retailers to submit their employer identification numbers to USDA as a way of further cross-checking information about retailers. (Sec. 2454)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment deleting the requirement for on-site managers and ensuring the protection of the privacy of the social security and employer identification numbers of the officers and owners.

(26) Sec. 1736. Simplified application requirements

The Senate bill requires one household member to sign a declaration regarding the citizenship or alien status of all members of the household.

The Senate bill also provides that "explanations" of recipients' rights and responsibilities be on or near the front cover of an application, rather than requiring "instructions" to be on the front cover, as under current law. (Sec. 2434)

The House amendment is similar to Senate, but it contains no provision relating to the placement of "explanations" on the application. (Sec. 1724)

The Conference substitute adopts the Senate provision.

The Managers intend the provision requiring that "explanations" of recipients' rights and responsibilities be on or near the front cover of an application to facilitate combined applications for more than one public assistance program. The provision is not intended to diminish the responsibility of State agencies to provide prominent notice to the recipients of their rights and responsibilities.

(27) Sec. 1737. Estimates in lieu of verification for homeless households with shelter costs

The Senate bill provides that households which spend money for shelter during part of any month—and are homeless the balance of the month—can deduct an excess shelter cost "standard" or "estimate" designed to reflect those costs. This deduction would be based on standard estimates of shelter expenses developed by States under rules issued by the Secretary. State agencies must use the estimated deduction in determining allotments for homeless households unless the household verifies higher expenses. The Secretary may issue rules to preclude the use of such estimates for households with extremely low shelter costs. (Sec. 2413)

The House amendment requires State agencies to certify homeless households on the basis of expenses for shelter reported by the household, except where the household's report is questionable. The Secretary must issue rules under which State agencies may develop standard estimates of how much the homeless in the State may reasonable be expected to spend on shelter and related expenses, and may certify households based on expenses that do not exceed this estimate. (Sec. 1709)

The Conference substitute adopts the Senate provision.

(28) Sec. 1739. Nutrition education

The Senate bill authorizes the Secretary to assign responsibility for the nutrition education of people eligible for food stamps to the Cooperative Extension Service, in cooperation with the Food and Nutrition Service. (Sec. 2475(c))

The House amendment is similar to the Senate provision. (Sec. 1793(a))

The Conference substitute adopts the Senate provision with an amendment to include participants in the Food Distribution Program on Indian Reservations.

(29) Sec. 1740. Food stamp application for general assistance households

The Senate bill provides that where the agency administering the local General Assistance (GA) grant also administers the food stamp program, that households applying for GA must be given a food stamp application along with the GA application. Also, in States with State-run GA programs ("uniform" programs), the GA offices are to provide a combined food stamp-GA application. In States where local offices are separate from the State, there would be no requirements regarding food stamp matters. (Sec. 2435)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment providing that in States in which there is a single Statewide general assistance application form, this application be combined with the food stamp application. In States in which there is more than one general assistance application, offices at which both general assistance and food stamp programs are administered must make both general assistance and food stamp applications available to all applicants. If separate offices provide the general assistance and food stamp benefits, there is no requirement to combine or provide both applications.

(30) Sec. 1742. Audit of simplified food stamp applications at Social Security Administration offices

The Senate bill requires the Comptroller General to study the effectiveness of the current programs assisting social security and Supplemental Security Income applicants and recipients in filing or receiving food stamp applications at social security offices. (Sec. 2478)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with a technical amendment.

(31) Sec. 1743. Permanent disqualification

The Senate bill would permanently disqualify stores that traffick in coupons or that accept coupons in exchange for drugs, firearms, or explosives unless the Secretary decides to allow the store to pay a fine of up to $20,000. This option of paying the fine is only available if the store had an effective program in place to prevent violations of the Act. (Sec. 2455)

The House amendment authorizes the Secretary to impose on an approved retail store or wholesale food concern, a civil money penalty of up to $20,000 for each violation, in lieu of permanent disqualification, for the purchase of coupons or trafficking in coupons or cards that constitutes a violation of the provisions of the Act or the regulations, if the Secretary determines that there is substantial evidence that such store or food concern had an effective policy and program in effect to prevent violations of the Act and the regulations.

The House amendment provides for permanent disqualification for such stores or food concerns upon a finding of the sale for coupons of firearms, ammunition, explosives, or controlled substances (as such term is defined in title II, section 102 of the Comprehensive Drug Abuse Prevention and Control Act of 1970). (Sec. 1763)

The Conference substitute adopts the Senate provision with an amendment specifying that, when fines for which the maximum is $20,000 for each violation are imposed, they cannot exceed a total of $40,000 within a two-year period. The Conference substitute expands the types of evidence that can be used to show that a fine is more appropriate than permanent disqualification.

The Managers are concerned with the manner in which the Secretary has implemented the retailer disqualification provisions of the Food Stamp Act. The Managers will carefully monitor how the Secretary implements these changes. Further, the Managers expect the Secretary to narrow the current definition of manager to more fairly describe persons who supervise the work of other employees and who direct the activities and work assignments of store employees. This definition should focus on the duties of employees, rather than simply on job titles, to determine those employees who are actually in supervisory positions. The definition should not include employees who do not have substantial supervisory responsibilities.

(32) Sec. 1745. Fines for unauthorized third parties that accept food stamps

The Senate bill imposes penalties on "firms or individuals" that trade in food stamps without authorization. The Secretary may impose a fine against any person not approved by the Secretary to accept and redeem food coupons who violates any provision of this Act or the regulations promulgated under this Act including violations concerning the acceptance of food coupons. The Attorney General of the United States may institute judicial action in any court of competent jurisdiction against such person to collect such fine. (Sec. 2457)

The House amendment is similar to the Senate provision, except that fines may be levied on any "person" violating the Act or regulations. (Sec. 1765)

The Conference substitute adopts the House provision.

(33) Sec. 1746. Fraud claims repayment

The Senate bill shortens from thirty to ten days the time in which households may elect how to repay overissuances resulting from intentional program violations. (Sec. 2458)

The House amendment is the same as the Senate provision. (Sec. 1726)

The Conference substitute adopts the House provision with an amendment shortening the time in which households may elect how to repay overissuances resulting from intentional program violations.

The Managers point out that this provision would eliminate the current two-step procedure for recovering overissuances from people convicted of intentional program violations in court or in administrative disqualification hearings. In so doing, the Managers do not intend to preclude the right of these households, or any others, to repay their overissuances more rapidly. This change is not intended to diminish households' due process rights.

(34) Sec. 1747. Computer fraud penalties

The Senate bill extends the current penalties for violating the Act or regulations under the Act to acts committed with computer "access devices". The Senate bill defines "access device" as any card, plate, code, account number, or other means of access of a type that is used under the Act or regulations, alone or in conjunction with another access device, to obtain payments, allotments, benefits, money, goods, or other things of value, or to initiate a transfer of funds. (Sec. 2459)

The House amendment is similar to Senate bill. (Sec. 1766)

The Conference substitute adopts the House provision with a technical amendment.

(35) Sec. 1748. Unlawful use of coupons in laundering monetary instruments

The House amendment provides that any person who knowingly uses or possesses coupons, authorization cards, or access devices in any manner contrary to the Act or regulations, if such coupons, authorization cards, or access devices are of a value of $5,000 or more, has committed a felony punishable by a fine of not more than $250,000, or imprisonment for not more than twenty years, or both. (Sec. 1767)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

(36) Sec. 1749. Coupon trafficking

The Senate bill increases the maximum fine from $10,000 to $20,000 for convictions of trafficking in food stamp coupons. (Sec. 2460)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(37) Sec. 1750. Retention of funds or allotments recovered or collected by States

See Sec. 1751 for description of Conference action.

(38) Sec. 1751. Quality control sanctions

The House amendment provides that no disallowance or similar action under section 16(c) of the Act or any predecessor statutory or regulatory provisions relating to disallowances for erroneous issuances (i.e., a "quality control" fiscal sanction or claim) may be applied to any State for any fiscal year before fiscal year 1991. [Sec. 1751.]

The Senate bill contains no comparable provision.

The Conference substitute provides that, as of enactment, no disallowance or similar action shall be applied to or collected from any State for fiscal years 1983 through 1985 under section 16(c) of the Act or any predecessor statutory or regulatory provisions relating to disallowances or similar actions for erroneous issuances, except for sanction collections under payment plans agreed to prior to enactment (other than where the settlement with the State incorporated a provision for ending collections based on a change in Federal law). The Conference substitute also provides that no disallowance or similar action shall be applied or collected with respect to claims in which an administrative or judicial review is pending on enactment, including amounts collected prior to enactment. The Conference substitute further lowers the percentage of recovered overissuances that may be retained by States with regard to intentional violations and household errors to 25 and 10 percent, respectively.

The Managers recognize that quality control claims against the States for fiscal years 1983 through 1985 are at various stages of appeal and collection. The Conference substitute: (1) bars collection of 1983-1985 claims in all cases where an administrative or judicial appeal is pending at enactment and no amount has been collected; (2) bars collection of 1983-1985 claims in cases where an administrative or judicial appeal is pending at enactment and some collection has been made, and requires repayment of any amounts already collected in such cases; (3) bars continued collection of amounts still owed on claims where the settlement agreement with the State included a "contingency" provision ending collection on a change in Federal law (although amounts already collected would not have to be repaid); and (4) allows continued collection of amounts still owed under settlements prior to enactment (with no repayment of amounts previously collected) where an administrative or judicial appeal is not pending and the settlement did not include a "contingency" provision. The Managers do not intend that claims from any of the fiscal years 1983 through 1985 that have been fully collected be repaid in cases in which there is no judicial or administrative appeal pending.

(39) Sec. 1752. Federal match for automation

See Sec. 1763 for description of Conference action.

(40) Sec. 1753. Employment and training allocations

The Senate bill extends through 1995 current provisions which provide $75 million per fiscal year for States to conduct the food stamp employment and training program. (Sec. 2461)

The House amendment:

(1) extends through fiscal year 1995 the current $75 million, per year, for State agencies to carry out employment and training programs;

(2) alters the funding allocations such that the Secretary must allocate among the States for fiscal years 1991 through 1995 that portion of funds required to be allocated under item (1) that is not based on State agency performance based upon the ratio of the number of individuals eligible to register for work in each State divided by the total number of such persons in all States; and

(3) requires the Secretary to allocate an additional $10,000,000 for each of the fiscal years 1991 through 1995 among States that would have received in any such year, under the allocation formula utilized in fiscal year 1990, an amount of funds under item (1), other than funds based on State agency performance, that exceeds the amount that such States receive under the allocation formula required by item (2), in order to maintain the level of such nonperformance

funding provided to such States at the levels provided in fiscal year 1990. (Sec. 1716)

The Conference substitute adopts the House provision with an amendment phasing in the implementation of the new allocation formula, beginning in fiscal year 1992, setting as a minimum allocation under the formula the amount of $50,000 per State per year, deleting the provision requiring allocation of an additional $10 million per year, and making technical changes.

It is the understanding of the Managers that the Secretary is developing regulations to allocate all non-performance employment and training funding based on the number of work registrants, beginning in fiscal year 1992. While recognizing that this new allocation formula would be an improvement, the Managers believe that a transition period should be provided to cushion the impact on States. In fiscal year 1992, State agencies entitled to an increase under the new formula based on work registrants would receive half the increase (over amounts provided under the existing, 1991, allocation formula), and State agencies whose allocation would decrease under the new formula based on work registrants would be limited to half of any decrease. Beginning with fiscal year 1993, all States would receive allocations based on work registrants. In making these allocations, the Managers expect that the Secretary will use the most recent available reliable data on individuals registered for work.

(41) Sec. 1754. Extension of pilot projects

The House amendment provides that pilot projects involving the payment of the value of allotments in the form of cash to eligible households, all of whose members are either age sixty-five or over, or entitled to supplemental security income benefits, must be continued through October 1, 1995, if a State so requests. (Sec. 1746)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

(42) Sec. 1755. Sales taxes in cash-out demonstration projects

The Senate bill provides that in any demonstration project after September 30, 1991, in which cash is provided in lieu of food stamps, the cashed-out food stamps must be increased by the State to reflect any State or local sales taxes charged on food. States are not required to make this additional payment (to compensate for taxes) regarding demonstration projects approved prior to October 1, 1990, where the demonstration already provides assistance that exceeds regular benefits by more than the estimated amount of sales tax, where sales taxes do not apply to a significant number of food items, or is a Supplemental Security Income cash-out demonstrations. The Senate bill also makes clear that benefits issued in lieu of food stamp allotments are not to be considered income or resources under any Federal, State, or local laws and that any assistance otherwise provided may not be reduced because of the receipt of benefits issued in lieu of food stamp allotments. (Sec. 2414(b))4

The House amendment provides that a new waiver, or demonstration project, may be approved after enactment only if:

(1) food stamp benefits issued in cash are increased to compensate for State or local sales taxes (or the tax is waived on purchases of food by food stamp households) and the State agency conducting such demonstration project pays the cost of such increased allotments;

(2) the Secretary determines on the basis of information provided by the State agency that such increase is unnecessary on the basis of the limited nature of the items subject to such State or local sales tax; or

(3) such project provides a household with assistance that exceeds that which the household would otherwise be eligible to receive by more than the estimated amount of any sales tax on the purchases of food that would be collected from the household. (Sec. 1706)

The Conference substitute adopts the House provision with a technical amendment.

(43) Sec. 1756. Enhanced waiver authority for demonstration projects

The Senate bill permits demonstration projects to test improved consistency/coordination between food stamp program employment and training (E&T) programs and AFDC/JOBS programs, and allows the Secretary to waive food stamp E&T requirements (and provisions affecting recipients' rights) to the extent necessary to permit a State agency to operate E&T programs for food stamp recipients under the same terms and conditions as its JOBS program. The Senate bill also requires that: (1) any work experience component be in conformity with AFDC provisions; (2) assurances will be provided that the projects will meet all AFDC/JOBS and child care requirements (except for provision of "transitional" child care); and (3) participation in an activity in which food stamp benefits are converted to cash be voluntary. The Senate bill further requires that: (1) the terms of the projects be published in the Federal Register prior to approval; (2) the appropriate House and Senate committees be notified; (3) waivers be granted only for projects approved and being evaluated by the Secretary, and in operation for no more than 4 years. (Sec. 2423)

The House amendment contains a similar provision. (Sec. 1730)

The Conference substitute adopts the House provision with an amendment giving the Secretary authority to set criteria for evaluations.

The Managers intend that the Secretary establish uniform criteria for the evaluations and exercise significant control over the evaluations to ensure the development and application of parallel methodologies in similar projects.

(44) Sec. 1757. Demonstration projects for vehicle exclusion limit

The House amendment raises the threshold at which the Secretary must begin counting the fair market value of a licensed vehicle owned by a household in determining eligibility from $4,500 to $5,500 by FY 1995, and indexes such threshold to inflation thereafter. Requires the Secretary to conduct demonstration projects, in rural and urban areas, excluding any licensed vehicle used to produce income, or transport elderly or disabled household members, and one vehicle used to commute to work, seek employment, or secure food or food stamp benefits. (Sec. 1712)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment limiting the provision to the demonstration projects only.

(45) Sec. 1758. Demonstration projects for AFDC/food stamp simplification

The House amendment requires the Secretary to conduct five demonstration projects under which households in which all members receive AFDC benefits are issued food stamp benefits generally following AFDC eligibility, benefit, and administrative rules and procedures. AFDC rules, or equivalent requirements and procedures approved by the Secretary, would be applied, except for some food stamp program rules, specific directions on how benefits are to be determined, and terms and conditions set by the Secretary to ensure program integrity. Food stamps would be furnished to households making application by providing any necessary information that has not been provided as part of their application for AFDC.

The House amendment places some requirements on the AFDC/food stamp demonstration projects. Certain food stamp rules would apply: those governing household "cooperation," fraud disqualification, work requirements, bilingual personnel and materials, application processing timeframes and verification limitations, expedited service, and treatment of homeless and migrant and seasonal farmworker households. Food stamp allotments would be calculated under normal food stamp rules, except that: (1) a household's total income (before any deductions) would be its AFDC grant plus other income used to establish the AFDC benefit, excluding any amount disregarded for dependent care and certain income (e.g., lump sum payments) that may be counted under AFDC, but not food stamp, rules; and (2) a household's net income would be calculated using all regular food stamp deductions, or, alternatively, the food stamp earned income deduction could be replaced with AFDC earned income disregards to the extent the Secretary determines they are consistent with the purposes of the demonstrations. Uninterrupted food stamp assistance would be required for eligible households gaining or losing eligibility under the project.

The House amendment also requires the Secretary to solicit demonstration proposals from, and consult with, State and local agencies and directs the Secretary to consult with the Secretary of Health and Human Services on waivers of Federal AFDC rules that would assist the demonstrations. Demonstration projects would be limited to the period between Oct. 1, 1990, and September 30, 1994, and evaluation reports from the Comptroller General and the Secretary would be due by Mar. 1, 1995. (Sec. 1722)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with a technical amendment and an amendment allowing the Secretary to carry out four demonstration projects, removing the time limits on the projects, deleting the evaluation report from the Comptroller

General, and requiring an evaluation report from the Secretary within six months of the termination of any project.

(46) Sec. 1759. Grants to improve food stamp participation

The House amendment requires that of the sums appropriated pursuant to section 18, $5,000,000 for each of the fiscal years 1992 through 1995 be used by the Secretary to fund food stamp outreach demonstration projects and related evaluations to increase participation by eligible low income households in the food stamp program through grants competitively awarded to public or private non-profit organizations. No more than 20 percent of the funds may be used for evaluations. Outreach projects must be targeted toward members of rural, elderly, and homeless populations, low-income working families with children, and non-English speaking minorities.

The House amendment requires the Secretary to select recipients for grants, to carry out projects based upon the appropriate methods to reach target populations, such as the production of electronic media campaigns; utilization of local outreach workers and volunteers; development of solutions to transportation problems; in-service training; community presentations and education; pre-screening assistance; and recruitment of authorized representatives for applicants unable to appear for certification or at authorized food stores.

The House amendment requires that in selecting grant recipients, the Secretary shall take into consideration the ability of the applicants to produce useful data for evaluation purposes, and give preference among applicant public agencies to those applicants that propose to involve nonprofit organizations in projects to be carried out with such grants.

The House amendment requires that at least one grant, in an amount not to exceed $500,000, be provided for the development of outreach materials aimed at the general food stamp eligible population along with specific target populations.

The House amendment further requires the Secretary to evaluate a sufficient number of projects to be able to determine their effectiveness.

The House amendment requires the Secretary to examine and report on previous research regarding reasons for non-participation and effective methods to conduct outreach and reduce barriers to participation. An interim report on the results of the evaluation carried out under this requirement must be provided to the Congress no later than February 1, 1993, and a final report no later than February 1, 1995.

The House amendment requires the Secretary, within 180 days after the date of the enactment, to publish a notice to implement this amendment. The Secretary must accept proposals from organizations for projects for fiscal year 1992 for 90 days following the date such notice is published; and begin to award grants beginning no later than January 1, 1992.

The House amendment requires that of the sums appropriated, not more than $1,000,000 in fiscal year 1991 be used by the Secretary to make grants to public or private nonprofit organizations, in one or more areas of the United States, that have projects designed to improve the effectiveness of the food stamp program in delivering food assistance to homeless individuals. (Sec. 1734)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment making the provision subject to appropriations, making conforming changes, and deleting the provision requiring $1 million in grants in fiscal year 1991.

(47) Sec. 1760. Reauthorization of food stamp program

The House amendment authorizes to be appropriated such sums as are necessary for the fiscal years 1991 through 1995 to carry out the provisions of the Act. It also amends the Secretary's reporting requirements. Under current law the Secretary must report to Congress whether reductions in the value of allotments issued to households certified to participate in the food stamp program will be necessary. The House amendment requires the Secretary to report whether supplemental appropriations will be needed to support the operation of the program through the end of the fiscal year.

The House amendment also amends the provisions governing the actions the Secretary must take if insufficient funds are provided to pay full benefits throughout the year. Under current law, the Secretary is required to direct State agencies to reduce the value of such allotments upon a finding that the requirements of participating States will exceed the amount "authorized to be appropriated". This section requires the Secretary to so direct State agencies upon a finding that such requirements will exceed the "appropriation" itself. (Sec. 1781)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

(48) Sec. 1761. Nutrition education improvements

The House amendment provides that, of sums appropriated to carry out the provisions of the Food Stamp Act, not more than $2,000,000 in any fiscal year may be used by the Secretary to make two-year competitive grants that will: (1) enhance interagency cooperation in nutrition education activities; and (2) develop cost effective ways to inform people eligible for food stamps about nutrition, resource management, and community nutrition education programs, such as the expanded food and nutrition education program. Awards will be made to one or more cooperative extension services, as defined in section 1404(5) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, in coordination with local or State agencies serving low income people. Each project must include an evaluation component and must develop an implementation plan for replication in other States. The Secretary must report to the appropriate committees of Congress on the results of the projects and must disseminate these results through the cooperative extension service system and to State welfare offices, local food stamp program offices, and other entities serving low income households. (Sec. 1793)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with a technical amendment.

The Managers intend the Secretary to coordinate these grants with similar Cooperative Extension Service grants.

(49) Sec. 1762. Nutrition Assistance Program in Puerto Rico

The House amendment reauthorizes the Nutrition Assistance Program for Puerto Rico through fiscal year 1995. The Secretary is required to pay to the Commonwealth of Puerto Rico $985,000,000 for fiscal year 1991, $1,029,000,000 for fiscal year 1992, $1,074,000,000 for fiscal year 1993, $1,121,000,000 for fiscal year 1994, and $1,170,000,000 for fiscal year 1995, to finance 100 percent of the expenditures for food assistance provided to needy persons and 50 percent of the administrative expenses related to the provision of such assistance.

The House amendment also requires the Comptroller General of the United States to conduct a study of—

(1) the nutritional needs of the citizens of the Commonwealth of Puerto Rico, including—

(A) the adequacy of the nutritional level of the diets of members of households receiving assistance under the nutrition assistance program and other households not currently receiving the assistance;

(B) the incidence of inadequate nutrition among children and the elderly residing in the Commonwealth;

(C) the nutritional impact of restoring the level of nutritional assistance provided to households in the Commonwealth to the level of such assistance provided to other households in the United States; and

(D) such other factors as the Comptroller General considers appropriate;

(2) the potential alternative means of providing nutritional assistance in the Commonwealth of Puerto Rico, including—

(A) the impact of restoring the Commonwealth to the food stamp program;

(B) increasing the benefits provided under the nutrition assistance program to the aggregate value of food stamp coupons that would be distributed to households in the Commonwealth if the Commonwealth were to participate in the food stamp program; and

(C) the usefulness of adjustments to standards of eligibility and other factors appropriate to the circumstances of the Commonwealth comparable to those adjustments made under the Act (7 U.S.C. 2011 et seq.) for Alaska, Hawaii, Guam and the Virgin Islands of the United States.

The House amendment also requires that the Comptroller General submit a final report on the findings of the required study no later than August 1, 1992, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate. (Sec. 1782)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with technical amendments and an amendment providing for funding of the Nutrition Assistance Program in Puerto Rico at the Congressional Budget Office baseline at the time of enactment of this Act.

(50) Sec. 1763. Automated data processing and information retrieval systems

The House amendment amends the Act by requiring that the Secretary develop by October 1, 1992, standards for initial and continued approval of automated data processing and information retrieval systems for State agencies, taking into consideration the state of the art in automation technology. The House amendment requires States to meet the standards developed by the Secretary.

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment requiring that the Secretary review and revise current regulations and set standards for approval of automation systems. The regulations will require that when States improve their systems, they incorporate all or part of systems already developed, unless a new system would be less costly. The Secretary is required to review the systems periodically and report to the appropriate committees of Congress on the extent to which States are operating effective systems. The Conference substitute lowers the automatic data processing Federal reimbursement level from 75 percent to 63 percent beginning with fiscal year 1992, except for proposals for systems approved prior to the date of enactment.

Subtitle B—Commodity Distribution Programs

(51) Sec. 1771. Commodity distribution program; commodity supplemental foods program

(a) Reauthorization of commodity supplemental food program and other food donation programs

The House amendment reauthorizes through fiscal year 1995 the Commodity Supplemental Food Program and other food donation programs under the Agriculture and Consumer Protection Act of 1973. Under this authority the Secretary is authorized to purchase and distribute agricultural commodities with funds appropriated from the general fund of the Treasury.

The House amendment also extends authority through fiscal year 1995 for pilot projects for low income elderly persons and for administrative funding for the Commodity Supplemental Food Program. (Sec. 1785(a) (1) and (2))

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with a technical amendment.

(b) Commodity assistance for infants and children

The House amendment revises section 4(a) of the Agriculture and Consumer Protection Act of 1973, and section 416(a)(3) of the Agricultural Act of 1949 to explicitly include hospitals and facilities caring for needy infants and children in the category of institutions eligible for commodity donations. (Sec. 1777)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with a technical amendment.

(c) Commodity program for elderly

The Senate bill allows the Commodity Supplemental Food Program (CSFP) to serve sites in which only elderly persons receive the food assistance. (Sec. 2473)

The House amendment is similar to Senate bill. (Sec. 1773(1) & (3))

The Conference substitute adopts the Senate provision.

(d) Administrative funding

The Senate bill alters the administrative funding formula for the Commodity Supplemental Food Program. The Senate bill changes the amount of administrative funding from an amount not to exceed 15 per centum of the sum of the amount appropriated for the commodity supplemental food program and the value of all additional commodities donated by the Secretary to State and local agencies to an amount not to exceed 20 percent of the amount appropriated for the Commodity Supplemental Food Program and 15 percent of the value of all donated commodities. (Sec. 2462)

The House amendment is similar to the Senate bill. (Sec. 1773(2))

The Conference substitute adopts the Senate provision with an amendment providing that administrative funding for CSFP shall not exceed 20 percent of the amount appropriated for the program and deleting the provision that provides administrative funding based on a percentage of the value of all donated commodities.

(e) Referrals to other programs

The Senate bill requires CSFP State agencies to provide information regarding other programs such as food stamps, Medicaid and Medicare to CSFP participants. (Sec. 2473)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with a technical amendment.

The Managers intend to ensure that relevant information about other Federal programs that can help needy CSFP participants and applicants will be made available to them. Local program operators will be expected to provide written information about the food stamp, AFDC, child support enforcement and Medicaid programs to each pregnant or postpartum woman who participates in the program or applies for benefits. Relevant written information about the Medicaid, food stamp, and SSI programs is expected to be provided to elderly program participants. The Managers intend that the written information provided to program recipients will be relevant to their needs.

The Managers also intend that each agency will be required to maintain materials showing the eligibility requirements for Medicaid participation by pregnant women, infants and children up to age six. These agencies also will be expected to make referrals to the Medicaid program to elderly persons who apply for CSFP benefits.

(f) Advance warning for decline in persons served under program

The Senate bill requires an advance warning from the Secretary to State agencies operating the program if it appears that a decline in commodities to be supplied will occur because of significantly higher prices for purchased commodities. (Sec. 2473)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(52) Sec. 1772. Emergency food assistance program

(a) Reauthorization of TEFAP

The House amendment reauthorizes TEFAP through fiscal year 1995. It also extends the program termination date to September 30, 1995, and reauthorizes $50 million for administrative funding for each of the fiscal years 1991 through 1995. The House amendment requires the Secretary to spend $175,000,000 during fiscal year 1991 and $190,000,000 during fiscal year 1992 and authorizes to be appropriated $220,000,000 for each of the fiscal years 1993 through 1995 to purchase, process, and distribute additional commodities under section 214(e) of TEFAP. Any amounts provided for fiscal years 1993 through 1995 will be available only to the extent and in such amounts as are provided in advance in appropriations acts. (Sec. 1783)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with technical amendments and amends the special purchasing provision to authorize, instead of require, the House-recommended funding levels for fiscal years 1991 and 1992.

(b) Demonstration project

The Senate bill allows the Secretary to undertake a demonstration project under which surplus commodities are processed into an end product that is more readily useable for household consumption. (Sec. 2472(1))

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

(c) Additional requirements

The Senate bill prohibits the Secretary from requiring a State to impose additional recordkeeping or application requirements on program recipients unless the Secretary determines that existing requirements or procedures are inadequate. (Sec. 2472(2))

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

(d) Federal Register estimates

The Senate bill extends through FY 1995 the current law requirement that the Secretary publish annually in the Federal Register (as soon as feasible, but before the beginning of each fiscal year) estimates of the types and amounts of commodities likely to be available in that year, and the stipulation that the types and amounts of commodities published may differ from those estimated. (Sec. 2472(4))

The House Amendment contains a similar provision. (Sec. 1771(a)(5))

The Conference substitute adopts the House provision.

(e) Commodity availability

The House amendment adds a provision requiring that, whenever commodities acquired by the CCC are made available for donation to domestic food programs in amounts that exceed Federal obligations, the Secretary make some portion of such commodities available to TEFAP agencies. It also permits the Secretary to distribute to TEFAP, CCC commodities that become available on a seasonal or irregular basis. (Sec. 1771(a)(4))

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision permitting additional seasonal or irregular donations of CCC commodities to TEFAP, and amends the provision requiring donations of some portion of surplus commodities to TEFAP by specifying that when making donations of surplus CCC stocks to domestic food programs, the Secretary is to give equal consideration to TEFAP emergency feeding organizations, and take into account the types and amounts of commodities available and appropriate for donation to TEFAP.

(f) Name change

The House amendment strikes "Temporary" from the name of the Temporary Emergency Food Assistance Act and Program. (Sec. 1771 (a)(1) and (2))

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

(g) Group eligibility

The House amendment adds a provision allowing State agencies, with the approval of the Secretary, to permit local TEFAP recipient agencies to be eligible for commodities on the basis of service to a substantial number of low-income persons rather than by individual income determination, if this will reduce administrative burdens and ensure that most program recipients are low-income persons. (Sec. 1771(a)(3))

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(h) Direct expenses

The Senate bill permits local recipient agencies to use Federal administrative funding to cover their costs of repackaging and reprocessing commodities. (Sec. 2472(3))

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(53) Sec. 1773. Commodity distribution reform

(a) Clarifying amendment

The House amendment amends the Commodity Distribution Reform Act and WIC Amendments of 1987 to clarify that food banks are included among the recipient agencies represented under the National Commodity Distribution Advisory Council. (Sec. 1775)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

The Managers intend that the representation on the council provided by this section will be a representative from a food bank participating in TEFAP.

(b) Advance funding for State Option Contracts

The Senate bill authorizes the Secretary to use Section 32 and CCC funds to pay for all, or a portion of the cost of food or the processing or packaging of food on behalf of a State commodity distribution agency; requires the State distribution agency to reimburse the Secretary for agreed-upon costs associated with this activity within 150 days of delivery of the commodity, and if they do not do so within 30 days, requires the Secretary to offset the amount not paid from an appropriate account; and requires the Secretary to reimburse the CCC or Section 32 account for all funds borrowed. (Sec. 2471)

The House amendment has a similar provision. (Sec. 1774)

The Conference substitute adopts the Senate provision

(c) Commodity Processing Program

The Senate bill requires the Secretary to establish a commodity processing program to promote and facilitate the reprocessing of bonus commodities into end-use products useful to local recipient agencies, and to issue regulation governing this commodity processing program. (Sec. 2471)

The House Amendment contains no comparable provision.

The Conference substitute revises the Senate provision to require a report by the Comptroller General of the United States which evaluates the extent to which: States process entitlement commodities, governmental requirements for participating in processing vary among States, and commodity entitlement recipients are satisfied with access to and service provided by entitlement commodity processing. The report is required to be submitted to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition and Forestry by no later than January 1, 1992, and the Comptroller is required to consult with representatives of State and Federal commodity distribution authorities, local elected school authorities, local school food service authorities and food processors regarding the scope and design of the report.

(d) Commodity Warehousing and Distribution

The Senate bill revises current requirements concerning State commodity warehousing and distribution by: (1) exempting from these requirements all commodities provided to programs other than child nutrition programs, and States that do not charge local recipient agencies for any costs associated with commodity distribution; (2) linking the requirement for use of the most cost-effective and efficient warehousing and distribution systems to local recipient agency costs rather than to the overall State costs of warehousing and distribution; and (3) requiring that State agencies consider commercial warehousing and distribution systems when determining the most cost-effective and efficient systems instead of requiring that commercial vendors be used unless a waiver is granted by the USDA based on proof that other systems are more cost effective and efficient for local recipient agencies.

The House amendment contains no comparable provision

The Conference substitute adopts the Senate provision with an amendment that maintains the current law requirements for both elderly and child nutrition program commodities, and that maintains the mandate for use of commercial vendors unless States are granted waivers based on a showing that the use of public systems provides lower costs and greater efficiency to local recipient agencies.

The Managers point out that the Conference substitute revises some of the commodity reform provisions enacted in 1987 that place requirements on States for the warehousing and distribution of USDA commodities to local recipient agencies. The changes are intended to protect against disruptions in commodity distribution to small recipient agencies such as commodity supplemental food programs, charitable institutions and TEFAP. They are also designed to promote the use of warehousing and distribution systems that provide commodities at the lowest possible cost and best efficiency to schools, child care facilities, summer food and elderly nutrition programs.

The Managers wish to make clear that the changes in this bill do not diminish in any way the responsibility of all State agencies to evaluate their commodity warehousing and distribution systems for child and elderly nutrition programs, regardless of whether these local recipient agencies are charged for these services. Moreover, in States that charge local child and elderly nutrition programs for any costs associated with commodity distribution, the determination of the most cost-effective and efficient warehousing and distribution systems requires comparison of the direct and indirect costs to local recipient agencies of both commercial and public systems. The Managers expect that these changes will lead to lower costs to local agencies using USDA commodities, and will improve the efficiency of commodity distribution to these agencies.

(e) Commodity acceptability information.

The Senate bill changes current law by requiring that a report on recipient acceptance of commodities be prepared annually, rather than semiannually. (Sec. 1966)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(f) Food bank projects

The House amendment makes permanent the food bank projects established under the Commodity Distribution Reform Act and WIC Amendments of 1987 to provide and redistribute agricultural commodities and food products.

The House amendment provides that no later than July 1, 1991, the Secretary must submit a report to Congress on each project carried out under this section. Thereafter, the Secretary must submit biennial reports to Congress on such projects. (Sec. 1772)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment deleting the requirements for reports.

(54) Sec. 1774. Hunger prevention programs

(a) Reauthorization of soup kitchen and food bank commodity distribution.

The House amendment extends through fiscal year 1995 the special purchasing requirement for distribution of commodities to soup kitchens and food banks under section 110 of the Hunger Prevention Act of 1988 and requires the Secretary to spend $32,000,000 to purchase and distribute such commodities in each of the fiscal years 1991 through 1995. (Sec. 1784)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment changing the mandatory spending requirement for commodity purchases in fiscal years 1992-1995 to an authorization for appropriations of up to $40 million in each of these fiscal years.

(b) Food pantry

The Senate bill defines the term "food pantry" under Section 110 of the Hunger Prevention Act of 1988 to mean "a public or nonprofit private organization whose primary purpose is to distribute food to low-income or unemployed households, including food from sources other than the USDA, to relieve situations of emergency and distress. (Sec. 2462)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment striking the words "whose primary purpose" from the definition, and adding a new provision that explicitly permits States to distribute commodities to food pantries under the soup kitchen and food bank program if food banks do not operate in the State.

(c) Gleaning clearinghouses

The House amendment replaces existing provisions of law governing gleaning activities. It defines the term "to glean" to mean to collect without charge unharvested crops from the fields of farmers, or to obtain agricultural products from farmers, processors, or retailers, in order to distribute such products to needy individuals, including unemployed and low-income individuals.

The House amendment authorizes the Secretary to establish a National Gleaning Clearinghouse. Through the Clearinghouse, the Secretary is authorized to—

(1) encourage public and nonprofit private organizations to initiate and carry out gleaning activities;

(2) collect from public and private sources information relating to the kinds, amounts, and geographical locations of agricultural products not completely harvested;

(3) gather and compile other statistics;

(4) establish and operate a toll-free telephone line;

(5) prepare, publish, and make available to the public, at cost and on a continuing basis, a handbook on gleaning that includes such information and advice as may be useful in operating efficient gleaning activities and projects, including information regarding how to—

(a) organize groups to engage in gleaning; and

(b) distribute to needy individuals, including low-income and unemployed individuals, food and other agricultural products that have been gleaned; and

(6) advertise in print, on radio, television, or through other media, as the Secretary considers to be appropriate, the services offered by the Clearinghouse (Sec. 1791)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment authorizing the Secretary to assist States or private nonprofit organizations in establishing gleaning clearinghouses.

(d) Cheese and nonfat dry milk

The Senate bill requires that the Commodity Credit Corporation make available to the Commodity Supplemental Food Program (to the extent available) not less than 9 million pounds of cheese and not less than 4 million pounds of nonfat dry milk for each of the fiscal years 1991 through 1995. (Sec. 2464)

The House amendment requires that, to the extent that inventory levels permit, the Commodity Credit Corporation provide 7 million pounds of cheese in each of the fiscal years 1991 through 1995 to the Secretary for donation to the commodity supplemental food program. (Sec. 1785)

The Conference substitute adopts the Senate provision with a technical amendment.

(55) Sec. 1775. Reprocessing agreements with private companies

(a) Reauthorization

The Senate bill extends the National Commodity Processing program through 1995. (Sec. 2465)

The House amendment is the same as the Senate provision. (Sec. 1786)

The Conference substitute adopts the House provision.

The Managers note with concern that the Department of Agriculture prohibits charitable institutions, certain nutrition programs for the elderly, and summer food service program sites from receiving bonus flour through National Commodity Processing program sales in States in which schools do not participate in the Department's bonus flour system. This policy imposes a real hardship on the affected State recipient agencies and is particularly unfair when the State commodity distribution agency for schools is different from the State agency distributing commodities to these smaller programs. Excluding these agencies from NCP reduces the range of processed food products available to them, and in many cases makes it difficult for these sites to use bonus commodities. This is particularly true of those smaller agencies which are unable to participate in State processing because the volume of their food purchases is too low. Many of these same agencies, however, might be able to take advantage of NCP contracts if the Department's current policy were changed to permit the decision for receipt of bonus flour to be made by the State agency administering the affected program. The Managers therefore direct the Department to revise its policy so that no local commodity recipient agency will be denied eligibility for bonus commodities under NCP because of the decision of a State agency that is not responsible for commodity distribution to the local community recipient agency.

(b) Processed end products

The Senate bill would permit elderly nutrition programs to enter into agreements with national companies for the reprocessing of all the commodities they receive from the USDA, both bonus and entitlement. (Sec. 2474)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with a substitute amendment requiring the Secretary to "encourage access" to processed entitlement commodities if in the Secretary's judgement it is cost effective. The Secretary may meet this obligation in a number of ways, including State processing contracts, State Option Contracts, and direct purchase of commodities. Beginning in fiscal year 1994, the Secretary may also utilize private processing contracts operated as part of the National Commodity Processing Program (NCP).

The Conference substitute also requires the Secretary to conduct a pilot project in no more than three States to provide entitlement commodities to elderly nutrition programs pursuant to private processing contracts operated as part of the NCP program. As with the current NCP program, the expense of reprocessing shall be paid by the eligible agencies.

The Managers intend that nothing in this section shall affect the Secretary's responsibilities regarding the provision of bonus commodities to elderly nutrition sites through the NCP program. It is the understanding of the Managers that it is the Secretary's intent to operate this pilot project in three States.

(56) Sec. 1776. Nutrition education

The Senate bill authorizes to be appropriated for the Expanded Food and Nutrition Education Program: $63 million in fiscal year 1991, $68 million in fiscal year 1992, $73 million in fiscal year 1993, $78 million in fiscal year 1994 and $83 million in fiscal year 1995. (Sec. 2466)

The House amendment reauthorizes at $8 million annually, through fiscal year 1995, the special nutrition education program, which provides food, nutrition, and consumer education to low-income individuals. (Sec. 1787)

The Conference substitute adopts both provisions.

(57) Sec. 1777. Notifying shelters of the Charitable Institutions Program

The Senate bill requires the Secretary or appropriate State agencies to inform shelters for the homeless or for battered women and children about the availability of donated commodities. (Sec. 2415)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment requiring the Secretary, at least once during fiscal year 1991, to direct appropriate State agencies to inform shelters for the homeless or for battered women and children about the availability of donated commodities.

(58) Sec. 1778. Welfare simplification and coordination advisory committee

The House amendment establishes an Advisory Committee on Welfare Simplification and Coordination. The Committee would: (1) identify differing policies in the food stamp program, Social Security Act cash and medical assistance programs, and housing assistance programs for low-income families and individuals that make it difficult to apply for and obtain benefits from more than one program and restrict administrators' ability to provide efficient, timely, and appropriate benefits; (2) examine the reasons for differing programs and policies and previous coordination efforts; (3) evaluate how and to what extent differing programs and policies hinder the receipt of benefits from more than one program and restrict administrators; (4) recommend common or simplified programs and policies; and (5) describe the effects of these common or simplified programs and policies and the reasons for recommending them.

The House amendment provides that the Committee would consist of no fewer than nine and no more than fifteen members appointed by the Secretary of Agriculture, after consultation with the Secretaries of Health and Human Services and Housing and Urban Development, the Commissioner of Social Security, State and local officials administering the programs under review, and representatives of recipients and recipient advocacy organizations. Members would (1) be persons who have experience in administering the programs under review, are familiar with the programs' rules, goals, and limitations, and have demonstrated expertise in evaluating the operations of and interaction among the programs and (2) include representatives of administrators and recipients. The Secretary would provide administrative support and reimbursement for necessary expenses and the Committee would be required to submit a final report, with recommendations, not later than April 1, 1992.

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with a technical amendment and an amendment: (1) reducing the size of the Committee; (2) directing the Committee to consult with representatives of administrators and recipients; (3) restructuring the composition of the Committee to individuals who are familiar with the rules, goals, and limitations of the programs under review, who may include persons with expertise in evaluating program interactions, administrators, and representatives of administrators and recipients; (4) narrowing the scope of the Committee's review to significant policy differences and recommendations; (5) moving the date for the Committee's final report to July 1, 1993; and (6) allowing interim reports from the Committee (including reports on less than the full range of programs under review).

(59) Sec. 1779. School lunch studies

The Senate bill requires the USDA to conduct a study of the national school lunch program to determine: the quantity of bonus commodities lost to schools, by State, since the 1987-88 school year; the amount of indirect costs charged to school food programs by schools; the current cost of providing a school lunch; why schools stopped participating in the program during the 1980's and if low-income children in such schools continued to receive free meals; changes in responsibility and costs associated with changes, at the State agency level; changes in responsibility and costs to local school food authorities because of Federal administrative and audit requirements; and the amount charged to students for nonfree and reduced price meals. It also requires the Secretary to provide the results of this study in a report issued to the Congress by October 1, 1992. (Section 2479)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment requiring two studies: (1) one to be conducted with available funds to determine the quantity of bonus commodities lost, by States since the 1987- 88 school year; what school food service authorities charge for nonfree and reduced price meals; and trends in school participation and student participation; and (2) one requiring, if funds are appropriated for this purpose, that the Secretary study the cost of producing school lunches; the reasons why schools choose not to participate in the lunch program; State costs incurred in the administration of lunch and breakfast programs; why children eligible for free and reduced price meals don't apply or participate in the program; and such other information as the Secretary considers necessary. The Conference substitute requires the Secretary to submit interim reports on the studies being conducted; on October 1, 1991 for the study using available funds and on October 1, 1992 for the study conducted if funds are made available by appropriation, and a final report of both studies by October 1, 1993.

(60) Sec. 1781. Effective dates

The Senate bill provides that unless otherwise noted in the bill, the amendments made by the nutrition title are to be effective and implemented 120 days after enactment. (Sec. 2495)

The House amendment stipulates that except as otherwise provided, the provisions of that title will be effective on October 1, 1990. (Sec. 1794)

The Conference substitute adopts the House provision with an amendment stipulating that except as otherwise provided in the title, the title and the amendments made by the title shall be implemented and effective not later than October 1, 1991.

Additional Provisions Deleted in Conference

(61) Shelter deductions

The House amendment raises the "cap" on the maximum excess monthly shelter expense deductions to:

Fiscal year	48 States and DC	Alaska	Hawaii	Guam	Virgin Islands
1991	$219	$380	$312	$265	$161
1992	234	406	333	283	172
1993	283	491	403	343	208

The House amendment removes the cap on excess shelter expense deductions after FY 93. (Sec. 1701)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(62) Benefit levels

The House amendment amends the definition of "thrifty food plan" adjusting the cost of the diet to reflect:

Fiscal year	Percent of cost of Thrifty Food Plan in the preceding June
1991	103
1992	103 and ⅓
1993	103 and ⅔
1994	104
1995	105

The House amendment also requires special adjustments to be made in calculating food stamp benefits for Hawaii and Alaska. (Sec. 1702)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

The Managers wish to point out that the House amendment contained language specifying the procedures by which the Secretary should calculate the thrifty food plans for Alaska and Hawaii. Since the House amendment was passed, the Managers have been informed that the Secretary has reexamined current law and determined that it already requires the methodology specified in the House amendment. The Managers, like the House Committee, fully concur in this analysis of current law. The House provision was meant as a clarification of current law, not a change. Therefore, the Managers have omitted it from the final legislation. The Managers appreciate the Secretary's attention to this matter.

(63) Issuance of benefits

The House amendment provides that first month renewed benefits for households applying to be recertified must be pro-rated (reduced) if the household's participation has lapsed for more than one month. (Sec. 1703)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(64) Child support disregard

The House amendment excludes from income the first $50 per month of child support payments. States would not be required to pay the Federal Government the cost of additional benefits provided to households as the result of the exclusion of child support payments from income. (Sec. 1711)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(65) Household definition

The House amendment amends the definition of "household" to include an individual who lives with others but customarily pur-

chases food and prepares meals for home consumption separate and apart from the others, or a group of individuals who live together and customarily purchase food and prepare meals together for home consumption. However, this section requires that parents and their minor children who live together, and spouses, be treated as a household regardless of the above. (Sec. 1721)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(66) Commission on Coordination of Family Support and Food Stamp Policies

The House amendment establishes a Commission on the Coordination of Family Support and Food Stamp Policies, consisting of 15 members including: the Secretary of Health and Human Services; the Secretary of Agriculture; Members of the House and Senate; and State and local officials.

The House amendment provides that the purpose of the commission is to study and consider methods to better coordinate AFDC and food stamp procedures and to make recommendations for developing common policies and definitions for use under both programs that would eliminate inconsistency to participation to the maximum extent possible in a manner consistent with the protective purposes of the programs.

The House amendment requires a report to the President and the Congress within one year after the date of enactment.

The House amendment authorizes to be appropriated such sums as may be necessary to carry out its provisions. (Sec. 1727)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(67) Dependent care expenses

The House amendment raises the dependent care deduction from $160 to $200 per month for each child under age 2 and $175 per month for each other dependent for purposes of computing household income.

The House amendment increases the amount of payments or reimbursements State agencies must make to participants in employment and training programs for the actual costs of dependent care. (Sec. 1728)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(68) Flexibility for State informational activities

The House amendment provides that State agencies may inform low-income households about availability, eligibility requirements, application procedures, and benefits of the food stamp program, including those activities allowed under regulations in effect on June 1, 1981.

The House amendment amends section 16(a) of the Act to provide that the Secretary's authorization to pay to State agencies an amount equal to 50 per centum the administrative costs involved in each State agency's operation of the food stamp program, includes authorization to pay such per centum of the costs of assistance to households, including the costs of counseling activities and prescreening costs. (Sec. 1732)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(69) Vehicles necessary to carry fuel or water

The House amendment requires the Secretary to exclude from financial resources the value of a vehicle that a household depends upon to carry fuel for heating or water for home use when such transported fuel or water is the primary source of fuel or water for the household. (Sec. 1733)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(70) Asset limits for the disabled

The House amendment raises from $2000 to $3000 the value of resources that a household with a disabled member may own and still be eligible to participate in the food stamp program. (Sec. 1745)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(71) Issuance of warning letters

The House amendment authorizes the Secretary to issue a warning letter to, instead of imposing a civil money penalty on, a retail or wholesale food concern that violates the Act or regulations. (Sec. 1768)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(72) Distribution of milk

The House amendment requires the Secretary to make milk acquired by the Commodity Credit Corporation available to States for distribution to food banks and soup kitchens when such milk is made available for donation to domestic food programs during fiscal years 1991 through 1995. (Sec. 1776)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(73) Special provision regarding sequestration

The House amendment provides that, notwithstanding any other provision of law, if a final order is issued for any of the fiscal years 1991 through 1995 under section 252(b) of the Balanced Budget and Emergency Deficit Control Act of 1985, or any subsequent enactment extending the effect of such provision, and such order is not subsequently rescinded, the amount made available to carry out the food stamp program under section 18 of the Act must be reduced by the amount equal to the amount of the percentage reduction for domestic programs required under such order multiplied by the additional cost over the preceding year, as contained in the Congressional Budget Office's final estimate of the cost of this Act prior to enactment, of the increases as provided for in certain sections of the House amendment for the fiscal year for which a final order has been issued. The House amendment provides that the reduction required by this section must be achieved by reducing the increases in certain provisions by one and one-third times the percentage reduction for domestic programs required under such order. (Sec. 1795)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(74) Assistance to homeless preschool children

The Senate bill provides additional Federal funding for a program set up under the Child Nutrition and WIC Reauthorization Act of 1989. That program allows for pilot projects in which private nonprofit groups receive federal reimbursement for meals served to homeless preschool children living in homeless shelters. Of the funds appropriated for the School Lunch Act, and in addition to other funding, not less than $500,000 in FY 1991, $750,000 in FY 1992; $2 million in FY 1993 and $3 million in FY 1994 would be available to increase funding for this program. Unused funds would be returned to the Treasury. (Sec. 2476)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

(75) Indian Nutrition Gardening Program

The Senate bill establishes an Indian Nutrition Gardening Program to provide technical assistance and training to Indian tribes and Alaska Natives for the development and operation of gardening programs; establish the Indian and Alaska Native Gardening Grant Program; and provide a supplemental source of fresh produce for Indians and Alaska Natives.

The Secretary is authorized to assist Native American Indians (or Alaskan Natives) living on or near reservations (or in certain areas of Alaska) in setting up gardening programs to supplement their nutritional needs.

The Extension Service would fund the purchase of seeds, seedlings, fertilizer, greenhouses, equipment, tools and other items needed for gardening.

The Extension Service would provide training and technical assistance in setting up these large gardens.

The fresh produce generated by the program would be used to supplement the diets of needy Native Americans (those on food stamps, the Food Distribution Program on Indian Reservations, or WIC, or those with special dietary needs, or the elderly).

Funds may be used for purchase or lease of equipment; purchase of seeds, fertilizers and other resources; construction of greenhouses, fences and structures; accounting and distribution of produce; labor; and management.

This gardening program is also available for Native Hawaiians in areas in Hawaii set aside for the use of Native Hawaiians under the Act of July 9, 1921.

There is authorized to be appropriated for these purposes $8 million in fiscal years 1991 and 1992 and $10 million in each of fiscal years 1993 and 1994. Some of these funds may also be used for grants to an agency of the State of Hawaii administering assistance to Native Hawaiians for the purpose of buying components of irrigation systems not normally eligible for assistance under the Soil Conservation and Domestic Allotment Act.

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

The Managers believe that an Indian subsistence gardening project could help alleviate nutritional deficiencies present on Indian reservations. The program would provide a supplemental source of produce for Indians and Alaska Natives who have special dietary needs, or are elderly, or participate in the food stamp, commodities, or WIC program. This program could address the increasing prevalence of diet-related diseases among Native Americans and help combat nutritional deficiencies among Native Americans. The Managers will continue to pursue the concept of an Indian subsistence gardening project in 1991.

The Managers direct the Secretary to promote and improve the nutritional aspect of daily diets for Native Americans living on reservations. In doing so the Secretary may seek the advice and assistance of the USDA Cooperative Extension Service, USDA Food Distribution Service, and the Bureau of Indian Affairs to develop the most feasible means to address nutritional deficiencies among Native Americans.

TITLE XVIII—CREDIT

(1) Training or Experience Requirement for Farm Ownership/Operating Loans

The Senate bill contains a minimum experience/training requirement for loan eligibility to three of the previous five years with one of those three being actual on-farm experience (Section 1302; 1306).

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

The Managers recognize that there is currently a regulatory one year experience requirement for first-time producers who wish to obtain credit, both direct loans and loan guarantees, from the Farmers Home Administration. The Managers understand that in the past this requirement has been waived or modified for first-time producers if it was determined that the producer had a reasonable prospect of success.

The Managers intend that the Farmers Home Administration should consider the effect of contract farming arrangements in which the contracting company provides farm management training and assistance to the farmer and exercises close managerial oversight. The Managers intend that the Farmers Home Administration consider whether such a contractual arrangement provides a reasonable prospect of success in the applicant's proposed farming operation. If the Farmers Home Administration determines that such arrangement does provide a reasonable prospect of success, the one year minimum experience requirement may be waived.

(2) Soil and Water Loan Program

The Senate bill updates authorized uses of the soil and water conservation loan program to reflect current conservation practices, and allows loans under this program to be made at the limited resource interest rate (Section 1303).

The House amendment has a similar provision with a $50,000 cap on loan levels (Section 1605).

The Conference substitute combines the purposes of the Senate and House provisions.

(3) Interest Rate on Farm Ownership and Operating Loans Made to Limited Resource Borrowers

The Senate bill simplifies and makes consistent the administrative procedure for establishing the limited resource rate by making the rate for farm ownership loans and operating loans the same, and establishes a floor of 5% (Section 1304; 1307).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(4) Guarantee of Payment by Department of Hawaiian Home Lands

The Senate bill allows the Department of Hawaiian Home Lands to guarantee operating loans for Hawaiian natives who lease Hawaiian homelands (Section 1305).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(5) Debt Settlement and Payment of Accrued Interest

The Senate bill allows FmHA to use debt settlement in all of its loan programs. It also allows for the charging of interest on interest payments that are less than 90 days overdue (Section 1308).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment that will give FmHA no new authority to use debt settlement on housing loans made under the Housing Act of 1949.

(6) Documentation for Approval of Security Transfer

The Senate bill requires FmHA to document in the borrower's file any approvals for security transfer (Section 1309).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

The Managers note that the documentation must be completed in a timely manner and a letter acknowledging the transfer be sent to the borrower within a reasonable amount of time.

(7) Notice of Debt Settlement Programs and Extension of Application Deadlines

The Senate bill requires FmHA to include in the notice of loan servicing programs that is sent to borrower who are 180 days delinquent a description of debt settlement programs. The bill extends the deadline for borrower application to FmHA for primary loan servicing from FmHA from 45 to 60 days (Section 1310).

The House amendment has the same provision with respect to the extension of application time for primary loan servicing but does not address debt settlement notification (Section 2907).

The Conference substitute adopts the Senate provision.

(8) Underwriting Forms and Standards

The Senate bill allows FmHA to use underwriting forms and standards that conform to those used by commercial lenders. It requires that prior to using ratios and standards for determining the degree of potential loan risk, the Secretary will have to report to Congress the effect on current and future borrowers, as required under current law (Section 1311).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(9) County Committees

The Senate bill states that if FmHA appoints an eligible farmer-borrower to the county committee, that appointment will not preclude another eligible farmer-borrower from being elected to such committee. The Senate bill also allows the mailing of FmHA election ballots (Section 1312 (a) and (b)).

The Senate bill also requires the Secretary to annually train county committee members on job responsibilities and to develop a training manual (Section 1312(c)).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

The Managers note that the mailing of FmHA election ballots shall only be done if it coincides with an Agriculture Stabilization and Conservation Service mailing and will not require additional funds.

(10) Certification of Loan Eligibility

The Senate bill allows a borrower's eligibility certification to remain in effect for two years (Section 1313).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

The Managers note that the period of eligibility shall not exceed 2 years.

(11) Limitation on Community Facility Program and Business and Industry Loan Program Application Process

The Senate bill allows the Secretary to hold qualified Business and Industry loan program applications until funding is available instead of requiring the Secretary to grant or deny the application within 60 days (Section 1314).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment that adds Community Facility loans.

(12) Appeals

The Senate bill requires the county committee or FmHA employee to act on cases overturned by the national appeals staff within a reasonable period of time (Section 1315).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(13) Disposition of Suitable Property

The Senate bill:

(a) reduces from three years to one year the total period of time that FmHA must offer "suitable" inventory land to qualified borrowers (Section 1316(a)).

(b) requires the county committee to randomly select from among qualified bidders the one to receive inventory property (Section 1316 (b) and (h)).

(c) states that leaseback/buyback provisions apply to farm and ranch real estate and the principal residence only (Section 1316(c)).

(d) gives persons that have leased property acquired by the Secretary before January 6, 1988, the right of first refusal on the purchase of the property, during a limited period following enactment. This provision does not apply to property that has been conveyed or contracted to be conveyed by the Secretary prior to enactment of this provision (Section 1316(d)).

(e) gives beginning farmers and ranchers preference when applying for the purchase of "suitable" inventory property (Section 1316(e)).

(f) allows the transfer of Indian land in inventory before January 6, 1988 to the Department of the Interior so that it is handled in a like manner to land taken into inventory after that date (Section 1316(f)).

(g) sets the purchase price of inventory property at the appraised fair market value (Section 1316(g)).

(h) requires the Secretary to establish perpetual wetland conservation easements, subject to certain limitations, to protect and restore wetlands or converted wetlands that are located on FmHA inventory property (Section 1316(i)).

In general, the language of this subsection is intended to protect a substantial number of wetlands on inventoried properties, while maintaining the properties' marketability as agricultural production units. Maintaining a property's marketability is intended to mean maintaining sufficient productive cropland and/or forage areas on the property so that it is marketable for agricultural production purposes. The wetlands that shall be subject to perpetual easements under this provision are intended to provide wetland functional values. These wetlands are divided into three categories: (1) wetlands that are not planted to an agricultural commodity or are planted less than frequently, and wetlands converted after December 23, 1985; (2) wetlands and farmed wetlands that are frequently planted; and (3) wetlands converted before December 23, 1985 (prior converted). The wetlands in these categories are intended to reflect the wetlands definitions currently in use for Swampbuster purposes. Prior converted wetlands often will be frequently planted, but the distinction is made between categories 2 and 3 because prior converted wetlands have, in general, lower wetland functional values than wetlands and farmed wetlands that have been frequently planted. Frequently planted means that over a period of several years the land is planted more often than not.

It is the intent for wetlands in the first category to be subject to full easement coverage under this provision, except for those wetlands that may be excluded on forage producing areas, as described below. Wetlands converted after December 23, 1985, if planted to an agricultural commodity, would be in violation of subtitle C of title XII of the 1985 Food Security Act. These wetlands should be restored and protected with no consideration being given to their planting history. Placing easements on wetlands in this category will not affect the marketability of the property as a production unit.

Under this first category, full easement coverage would be given to any wetlands or restored wetlands that have a history of haying and grazing, except that the amount of acreage placed under easement is not to exceed 50% of the forage producing areas on the parcel. The wetlands or restored wetlands selected for easement coverage should be those wetlands or restorable wetlands providing the wetland functional values, as recommended by the Fish and Wildlife Service.

The Senate recognizes that managed haying and grazing is consistent with protecting and maintaining wetland values and is allowed under the current program. Easements placed on wetlands that have a history of haying and grazing shall permit such uses when the haying and grazing practices are in accordance with forage management standards that provide for the protection and restoration of wetland functional values. The Managers believe the Fish and Wildlife Service and the Soil Conservation Service should jointly develop and agree to the practices designed to protect these values, in consultation with Land Grant professionals having experience in range and forage management. In addition, the Managers believe such practices should be established for a particular parcel before it is sold out of inventory, and any changes in these practices after the parcel is sold should be agreed to by the landowner.

An overall limitation has been placed on the amount of wetlands in categories 2 and 3 that can be placed under easement (subject to a waiver by the purchaser), where the easements placed on these wetlands cannot represent more than 20 percent of the cropland on the property. Within this 20 percent limitation, in no case may the easements placed on prior converted wetlands represent more than 10 percent of the cropland on the property. The Senate established these limitations to ensure that the marketability of the property will be maintained. Except under the limited circumstances defined below, with respect to the wetlands in categories 2 and 3, only technical considerations of the potential functions and values of the wetlands on the property, as reflected in the Fish and Wildlife Service's recommendations, will determine the size of the easements, up to these established limits.

In general, the croplands used as buffer areas to protect the wetlands under easement are to be included in the calculation of the total amount of cropland that is placed under easement, and are therefore subject to the 10% and 20% overall cropland limitations.

There are certain circumstances where the amount or location of these easements, in relation to the other croplands on the property, would prevent the property from being marketable as an agricultural production unit, comparable to the property as acquired. Marketing the property, comparable as acquired, means marketing a property that can continue to function as the same basic enterprise as when it was acquired. The Senate did not intend for the circumstance to arise where the amount and location of easements established on, for example, a cotton or dairy farm acquired by the FmHA would prevent the property from being marketed as a cotton or dairy farm. This situation is a particular problem in the case where a borrower eligible under the Consolidated Farm and

Rural Development Act for leaseback or buyback of foreclosed property is seeking to purchase or lease this property, or in the case where a beginning farmer who is an eligible FmHA borrower seeking to purchase this property from inventory. Under these circumstances the size of the easements placed on these properties may be reduced by the Secretary, in consultation with the Fish and Wildlife Service, to the extent necessary to maintain such marketability and such comparability.

The Senate expects the Secretary to utilize this flexibility only in situations where it can be shown that to do otherwise would render the property non-marketable. This flexibility shall not be utilized to exercise administrative preference relative to providing full easement coverage up to the established percentage limits.

Under those circumstances where such flexibility clearly must be exercised, the Secretary is directed to reduce the size of the easements placed on the prior converted wetlands first. If reducing the size of these easements is not sufficient to maintain the property's marketability, then a special type of easement that expands the wetlands' use for crop production may be established to the extent necessary on the other frequently planted wetlands on the property. Easements of this type are consistent with many of those currently established in the Northern Plains under the current program. Such easements are also, in principle, consistent with the provisions of subtitle C of title XII of the Food Security Act of 1985, and as stated in the statute, the Committee intends for no practices to be allowed on these easements that would otherwise be in violation of subtitle C.

The House amendment has no comparable provisions except for:

(i) requiring that suitable inventory property be sold at appraised fair market value and that all other sales be at the fair market value as determined by bids or negotiated sale (Section 2901).

The Conference substitute adopts the Senate provisions (a), (c), (d), (e), and (f).

The Conference substitute adopts the Senate provision (b) with an amendment that clarifies that the random selection is mandatory.

The Managers note that the random selection process should be nationally uniform and public.

The Conference substitute adopts the House provision (i).

The Conference substitute adopts the Senate provision (h) with an amendment requiring the Secretary to study the percentages used in limiting the amount of an easement.

The Managers note that the 10 and 20 percent limits established in this subsection may not be optimal with respect to the amount of cropland that should be subject to an easement. For this reason, the Managers believe FmHA should undertake a thorough review and study of the easement coverage that is necessary to achieve the purposes of this subsection, and determine how many acres of inventory property could be subject to such easements. Congress will be considering this issue in detail early in 1991. For this reason the results of FmHA's review and study should be made available to the Congress no later than January 31, 1991.

(14) Definitions

The Senate bill defines the different types of loans made by FmHA. The Secretary is allowed to define in regulation the terms "beginning farmer" and "beginning rancher" (Section 1317).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

The Managers note that the report language accompanying the Senate bill is simply meant to be used as a guide by the Secretary in defining a beginning farmer or rancher.

(15) Extension of Eligibility for Conservation Easements; Assistance to Borrowers

The Senate bill gives the Secretary additional discretionary authority to cancel a portion of a FmHA borrower's outstanding loan in exchange for a conservation easement on wetlands and upland areas, and highly erodible land, on loans issued after the enactment of the Food Security Act of 1985, if the borrower is unable to repay the outstanding loan, as determined by the Secretary. This authority is extended to include reducing the principal of a new loan made to a borrower (Section 1318).

The House amendment has no comparable provision.

The Conference adopts the Senate provision.

The Managers note that this is discretionary authority, giving the Secretary the flexibility to select which wetlands should be protected under this provision. The Managers intend the Secretary to prioritize the application of this provision to farmer-borrowers willing to make improvements to protect valuable wetlands.

(16) Interest Rate Reduction Program, Spending Levels and Demonstration Project

The Senate bill changes the interest rate reduction program by increasing to 4 percent the interest subsidy that the Secretary can pay, and authorizes a shift of direct loan funds to guaranteed loans. The Secretary shall use this interest rate reduction program at a minimum on loans made from the funds so shifted, to the extent practicable (Section 1319(a) and (b)).

This section also extends the demonstration project for purchase of FCS inventory land by one year (Section 1319(c)).

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provisions with the agreement that it be moved to Budget reconciliation legislation.

The Managers note that they agreed to the Senate bill with an amendment that extends the interest rate reduction program through 1995 and increases the amount shifted from direct to guaranteed loans by capping direct loan obligations annually. Under this amendment, if more than 70% of the loans made under the interest rate reduction program are made to borrowers who are not direct loan borrowers seeking to graduate to commercial credit, the amount of direct loan funds shifted under this bill will be reduced in the subsequent fiscal year. The reduction will be based on the proportion of borrowers in the program who are not former direct loan borrowers seeking to graduate to the total number of borrowers provided with guaranteed loans under this program. The Managers then agreed to move these provisions to the Budget Reconciliation Act of 1991 legislation to achieve budgetary savings.

(17) Debt Restructuring and Loan Servicing

The Senate bill:

(a) denies restructuring eligibility to a borrower who has enough non-essential, unsecured assets available to bring the loan current (Section 1320(a)).

(b) includes in the net recovery value calculation the value of non-essential, unsecured assets which are not exempt from judgment creditors or bankruptcy action (Section 1320(b)).

(c) requires the Secretary to write down or restructure a loan to the level necessary to leave the borrower with up to a 5 percent margin on debt service. However, it prohibits the Secretary from denying restructuring to a borrower unable to meet his/her debt obligations with a 5 percent margin (Section 1320(c)).

(d) extends the current deadline for processing the primary loan servicing application from 60 to 90 days (Section 1320(d)).

(e) applies the good faith standard and delinquency beyond the borrower's control criteria to buyout eligibility (Section 1320(e)).

(f) extends the deadline for borrowers to execute a buyout from 45 to 90 days (Section 1320(e)).

(g) replaces the recapture agreement for buyouts with a 10-year shared appreciation agreement and increases the amount on which the shared appreciation calculation is based to the difference between the net recovery buyout amount and the fair market value at time of sale or transfer (Section 1320(e)).

(h) stipulates that if the property is transferred to a spouse or child at the time of death or retirement of the former borrower, the shared appreciation agreement is also transferred and is not triggered until a further sale or transfer takes place (Section 1320(e)).

(i) prohibits the Secretary from giving priority for leaseback/buyback and homestead protection eligibility to a borrower who does not meet the good faith standard and delinquency beyond the borrower's control criteria (Section 1320(e)).

(j) applies the good faith standard for buyouts retroactively only to pending buyout offers to borrowers whom FmHA has determined, prior to date of enactment of this provision, have acted in bad faith (Section 1320(f)).

(k) requires the Secretary to report to Congress on the number of bad faith determinations and appeals (Section 1320(f)).

(l) requires the Secretary, at the request of a borrower who has a current appraisal that is substantially different from FmHA's appraisal, to negotiate the difference or mutually agree on a third appraiser with FmHA and average the difference between the two closest appraisals (Section 1320(g)).

(m) allows the partial liquidation of guaranteed loans if the Secretary approves (Section 1320(h)).

(n) does not consider a borrower to have acted in "bad faith" if such borrower sold normal income security without the approval of the Secretary prior to October 14, 1988 and used the proceeds from that sale for living and operating expenses, and if that borrower would have been entitled to a release of income proceeds under current regulations effective on October 14, 1988, but the Secretary denied such release (Section 1320(h)).

(o) limits the number of write-downs per borrower to one with two exceptions: a qualified borrower, experiencing a disaster in the current or previous year, may qualify for a further write-down; and a borrower who received a write-down prior to enactment of the 105% of debt service margin provision in this section and becomes delinquent again, may receive a subsequent write-down in an amount not to exceed a sum that, when added to the initial write-down, would equal the amount that would have been written down if the 105% debt service margin provision had been in effect (Section 1320(h)).

(p) prohibits debt forgiveness on the portion of the debt which could be repaid through the use of non-essential, unsecured assets (Section 1320(h)).

(q) limits debt forgiveness to $350,000 of principal and interest (Section 1320(h)).

The House amendment:

(r) applies the good faith standard to leaseback buyback rights (Section 2902).

(s) includes in the net recovery value calculation property listed in the security agreement even if the property is no longer on the farm (Section 2903).

(t) includes in the restructured loan value calculation all assets of the borrower, other than the value of unencumbered assets determined by the Secretary to be essential for necessary family living expenses or essential to the operation of the farm (Section 2904).

(u) applies the good faith criteria to buyout eligibility (Section 2905).

(v) extends the deadline for borrowers to execute a buyout from 45 to 90 days (Section 2905).

(w) extends the recapture agreement for buyouts to 10 years and increases the amount on which the recapture calculation is based to the difference between the net recovery value and the fair market value at the time of sale or conveyance (Section 2905).

(x) allows a lifetime debt forgiveness limit of $250,000 of principal or interest (Section 2905; 2906).

(y) limits of the number of write-downs or buyouts to one, with no exceptions and allows the buyout and write-down provisions to be used only on loans made on or before January 6, 1988 (Section 2906).

(z) extends the current deadlines for borrower application for primary loan servicing from 45 to 60 days and processing of the primary loan servicing application from 60 to 90 days (Section 2907).

The Conference substitute adopts the Senate provisions (c), (d), (e), (f), (j), (l), (m), (n), and (p).

The Conference substitute adopts the Senate provision (a) regarding eligibility for restructuring, with an amendment that if the borrower's equity in non-essential assets that may be realized through liquidation of such assets or other methods would produce enough income to bring the loan current, the borrower shall not be eligible for restructuring.

The Conference adopts the Senate provision (b) regarding the inclusion of non-essential assets in the net recovery value calculation with an amendment to clarify that only the value of the borrower's equity in non-essential assets is included in the calculation and to include the cost of disposing of these assets in the calculation of estimated foreclosure expenses. The Managers intend that borrowers should be notified in the Notice of the Availability of Loan Servicing Programs that the value of these assets will be included in the net recovery value calculation. If a borrower chooses to liquidate these assets or obtain financing for the value of these assets and apply those proceeds to FmHA debt, the net recovery value will be reduced accordingly.

The Conference substitute adopts the Senate provision (i) with an amendment to deny leaseback/buyback rights to borrowers who have acted in bad faith and excludes homestead protection from this provision.

The Conference substitute adopts the House provisions (s) and (w).

The Conference substitute adopts the Senate provision (h) with regard to the transfer of property with an amendment that applies it to the recapture agreement (w) and clarifies that the spouse or child be actively engaged in the farm operation on the property.

The Conference substitute deletes the Senate provision (k).

The Managers request that FmHA maintain records that will enable it to provide this information to Congress, if requested, within a reasonable amount of time.

The Conference substitute adopts the Senate provisions (o) and (q), with an amendment that applies one-time debt forgiveness limitation to loans made after January 6, 1988 only and establishes a lifetime debt forgiveness limitation per borrower of $300,000 of principal and interest. Loans restructured or written down after January 6, 1988 shall be considered new loans for purposes of this debt forgiveness limitation, however the Managers do not intend to limit the number of times a borrower's loan may be restructured without write-down.

(18) Distribution of Funds on Indian Reservations

The Senate bill requires the Secretary to consider Indian reservations as a county when distributing funds (Section 1321).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(19) Borrower Training

The Senate bill requires the Secretary to contract with state, private or other entities to provide borrower training in financial and farm management practices (1322(a)).

To be eligible for loans, borrowers must obtain management training unless the county committee waives the requirement. If the borrower is required to obtain additional management skills through training, beyond those required for loan eligibility, the borrower may not be denied the loan solely on that basis.

The Senate provision also requires the Secretary to issue regulations establishing a curriculum for the borrower training program and requires that the borrower shall pay for any required training and may use operating loans for this purpose (1322(b)).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(20) Loan Assessments

The Senate bill requires the Secretary to complete loan assessments on all applicants to determine the soundness of the loan and on all borrowers to identify and resolve problems early. The Secretary may contract with a state, private or other entity to provide this assessment (Section 1323).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(21) Supervised Credit

The Senate bill requires the training of FmHA employees in the areas of credit analysis, and financial and farm management (Section 1324).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(22) Graduation of FmHA Borrowers to Private Commercial Credit

The Senate bill mandates borrowers to graduate to commercial credit following 10 years of a direct loan and 15 years of total direct and guaranteed loan assistance, applying only to new loans made after enactment of this provision (Section 1325).

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

(23) Market Placement

The Senate bill requires the Secretary to establish a market placement program to enhance a borrower's chance of receiving a guaranteed loan (Section 1326).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(24) Sense of Congress

The Senate bill states the Sense of Congress that FmHA assist beginning farmers and ranchers and the transfer of farm property within families (Section 1327).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(25) Sense of Congress

The Senate bill is a Sense of Congress that the Secretary should improve the loan application review process and the monitoring of guaranteed loan servicing (Section 1328).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(26) Prohibition On Use Of Loans For Certain Purposes

The Senate bill prohibits the use of any loan under this title to drain, dredge, fill, level or otherwise manipulate a wetland, unless the activity is necessary for the maintenance of previously converted wetlands or was already commenced prior to date of enactment of this provision (Section 1285).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to not permit FmHA to approve any loans for such purposes.

Farm Credit System

(27) Financing for Basic Processing and Marketing Operations Owned By Bona Fide Producers

The Senate bill allows the FCS to lend to marketers and processors whose on-farm production make up any portion of the through-put of their marketing and processing operations (Section 1342).

The House has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment that limits the new authority to 15% of the portfolio of the district bank.

(28) Restoration of First Lien on Stock

The Senate bill fixes a technical error in the Agricultural Credit Act of 1987 which excluded Production Credit Associations from the provision giving such institutions a first lien on securities issued by the association (Section 1343).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(29) Insurance Services

The Senate bill eliminates the requirement that FCS offer two carriers for each insurance program (Section 1344).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(30) Management of Farm Credit System Insurance Corporation by Farm Credit Administration Board

The Senate bill states that the Board of the Farm Credit Administration will oversee the Farm Credit Insurance Corporation (Section 1345).

The House amendment has no comparable provision.

The Conference substitute adopts the House provision.

The Managers intend that the deletion of the Senate provision should not be interpreted as supportive of increasing the cost of regulation either directly through FCA or indirectly through the Insurance Fund.

(31) Clarification of Contents of Certified Statements

The Senate bill requires FCS institutions to specifically identify guaranteed loans (Section 1346).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(32) Termination Date for FCS Assistance Board

The Senate bill removes the 5-day gap between the expiration of the Assistance Board and the start up of the Insurance Corporation (Section 1347).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(33) Employment of Certain Persons by Farm Credit Institutions

The Senate bill applies restrictions on hiring persons convicted of certain criminal offenses to all associations (Section 1348).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(34) Termination of System Institution Status of the California Livestock Production Credit Association

The Senate bill allows the California Livestock Production Credit Association to leave the Farm Credit System without being required to pay any part of the last $1,000,000 of its capital or restricted from transferring any part of the $1,000,000 to its successor institution (Section 1349).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

The Managers recognize the unique circumstances that justify the California Livestock Production Credit Association's need to be allowed to terminate its status as an institution of the Farm Credit System. However, this section is not intended to apply to any other institution or to establish a precedent for addressing any other institution's request to terminate Farm Credit System status.

(35) Secondary Market for Guaranteed Farmer Program Loans

The Senate bill allows Farmer Mac to pool loans guaranteed by FmHA, thereby authorizing it to implement FmHA's secondary market mandated in the Agricultural Credit Act of 1987 (Section 1350).

The Senate bill provides authority for the Federal Agricultural Mortgage Corporation (Farmer Mac) to pool FmHA guaranteed loans made in accordance with the Consolidated Farm and Rural Development Act.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

Due to significant reductions in the FmHA direct lending programs which are being made for budgetary purposes, the Managers note the importance attached to the implementation of this authority. It expands vitally needed credit availability for farmers and ranchers by providing a significant measure of liquidity to rural lending institutions. Many farmer and rancher operators impacted by the reductions in FmHA direct lending will have no alternative available to meet their credit needs other than the guaranteed loan program. The increased demand will likely exceed the ability of rural lending institutions to respond adequately unless the secondary marketing mechanism authorized in this section is able to function in a timely manner, aided by a regulatory environment which is sensitive to its needs and purpose. The Managers intend that this authority be promptly implemented.

(36) Authority of Farm Credit Administration to Regulate Federal Agricultural Mortgage Corporation

The Senate bill authorizes the Farm Credit Administration to use existing authorities to oversee for safety and soundness purposes the duties vested in the Corporation and its affiliates by this title (Section 1351).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(37) Exclusion of Farm Credit Administration from Senior Executive Service

The Senate bill puts the FCA on even footing with other Federal agencies by allowing it to adjust salaries commensurate with living expense differences between areas in the U.S. (Section 1352).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(38) GAO Study of Rural Credit Cost and Availability

The Senate bill provides that the Comptroller General study certain matters related to the cost and availability of credit in rural America and report to the Agriculture Committees within 2 years (Section 1353).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(39) Bank Examination

The Senate bill provides for an examination of compensation paid to the chief executive officer and the salary scales of the employees of the banks (Section 1354).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

Miscellaneous

(40) Economic Emergency Loan Program

The Senate bill eliminates the Economic Emergency Loan Program (Section 1361).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(41) Authorization of Appropriations for Farm Ownership Outreach Program to Socially Disadvantaged Individuals

The Senate bill authorizes the administratively-established socially disadvantaged outreach program (Section 1362).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(42) State Mediation Programs

The Senate bill extends the mediation program through 1995 (Section 1363).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(43) Indian Land Acquisition Program

The Senate bill makes Indian tribes eligible for limited resource interest rates on farm ownership loans and increases the Indian Land Acquisition program's authorization to $8 million each fiscal year through 1995 (Section 1364).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(44) Effective Dates

The Senate bill makes most provisions effective on the date of enactment. Section 1808(1), regarding debt-settlement notice provisions, shall be effective 120 days after enactment. Section 1818 on debt restructuring and loan servicing shall apply only to new loan restructuring applications (defined in this section) submitted after date of enactment, except that Section 1818(f), regarding buyouts by borrowers who have acted in bad faith, may be applied to pending buyout offers under certain conditions and Section 1818(h), regarding the liquidation of assets relating to debt forgiveness, which shall not apply until final regulations have been issued. It also sets the effective date for section 1853, regarding restoration of first lien on stock, as January 7, 1988 (Section 1371).

The House amendment has no similar provision.

The Conference substitute adopts the Senate provision.

(45) Regulations

The Senate bill requires the Secretary and the Farm Credit Administration to issue regulations to implement this title.

The House amendment has no similar provision.

The Conference substitute adopts the Senate provision.

TITLE XIX—AGRICULTURAL PROMOTION

Subtitle A—Pecans

(1) Pecan Promotion and Research Act of 1990 [S 2131-2147; H 1421-1434]

The Senate bill establishes a pecan research and promotion program that would—

(1) be administered by a 15 member board;

(2) provide for a 2 cent per pound assessment on domestically produced and imported pecans;

(3) require issuance of the order by the Secretary within 120 days after publication of proposed order;

(4) require a delayed referendum of producers to approve the order within 2 years;

(5) allow refunds of assessments prior to the referendum; and

(6) prohibit refunds of assessments after the referendum, if the order is approved.

The House has a similar provision, except that the issuance of the final order is not required until 150 days after the publication of the proposed order.

The Conference accepts the House position.

Subtitle B—Mushrooms

(2) Mushroom Promotion, Research and Consumer Information Act of 1990 [S 2151-2163; H 1441-1453]

The Senate bill establishes a mushroom research and promotion program that would—

(1) be administered by a 4 to 9 member mushroom council;

(2) provide for a per pound assessment on domestically produced and imported mushrooms of up to—

(A) 1/4 cent in year 1;

(B) 1/3 cent in year 2;

(C) 1/2 cent in year 3;

(D) 1 cent in year 4 and thereafter;

(3) require issuance of the order by the Secretary within 180 days after publication of proposed order;

(4) require an up front referendum of producers to approve the order;

(5) prohibit refunds of assessments after the referendum, if the order is approved.

The House amendment has the same provision.

The Conference accepts the House provision.

Subtitle C—Potatoes

(3) Potato Research and Promotion Act Amendments of 1990 [S 2171-2180; H 1461-1471]

The Senate bill amends existing law to provide for an alternative potato research and promotion order that would—

(1) eliminate the refund of assessment provisions in current law;

(2) provide for the assessment of domestically produced and imported potatoes at a rate of 2 cents per pound;

(3) provide for a delayed referendum within 2 years with an escrow account for refunds of assessments, if necessary.

The House amendment is similar to Senate provision, except the House amendment does not require an alternative order.

The Conference accepts the House provision.

Subtitle D—Limes

(4) Lime Research, Promotion, and Consumer Information Act of 1990 [H 1481-1493]

The Senate bill has no comparable provision.

The House amendment establishes a lime research and promotion program that would—

(1) be administered by a 11 member board;

(2) provide for a 1 cent per pound assessment on domestically produced and imported limes;

(3) require issuance of an order by the Secretary within 150 days after publication of proposed order;

(4) require a delayed referendum of producers to approve the order within 2 years;

(5) prohibit refunds of assessments after the referendum, if the order is approved.

The Conference accepts the House provision.

Subtitle E—Soybeans

(5) Findings and Declaration of Policy

The Senate bill contains a declaration of policy of Congress stating the public interest to authorize the establishment of an orderly procedure for developing, financing and implementing a program of soybean promotion, research and consumer information. (Section 2106)

The House amendment, contains a declaration of policy of Congress that stating the public interest to authorize the establishment of an orderly procedure for developing, financing and implementing a program of soybean promotion, research, consumer information and industry information. (Section 712)

The Conference substitute adopts the House position. (Section 1966)

(6) Definitions

The Senate bill defines "Committee" to mean the Soybean Program Coordinating Committee established under Section 2109(e). "Net market price" is defined as the sales price received by a producer for soybeans after adjustments for any premium or discount based on grading or quality factors or for soybeans pledged as collateral for a loan issued under any Federal price support loan program, the principal amount of the loan. "Producer" is defined as any person engaged in the growing of soybeans who owns, or who shares the ownership and risk of loss of such soybeans. The terms "State" and "United States" include the 50 States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands of the United States. (Section 2107)

The House amendment does not define "Committee." The term "net market price" means the sales price or other value received by a producer for soybeans after adjustment for any premium or discount based on grading or quality factors, as determined by the Secretary or for soybeans pledged as collateral for a loan issued under any price support loan program administered by the Commodity Credit Corporation, the principal amount of the loan. The term "producer" means any person engaged in the growing of soybeans in the United States who owns, or who shares the ownership and risk of loss of, such soybeans. The terms "State" and "United States" consist of the fifty States of the United States of America, the District of Columbia, and the Commonwealth of Puerto Rico. (Section 713)

The Conference substitute adopts the Senate position on the term "Committee" and the House positions on the terms "net market price," "producer," and "State." (Section 1967)

(7) Issuance of and Amendment of Orders

The Senate bill requires the Secretary to publish a proposed soybean promotion, research, and information order for public comment within 30 days after receipt of the proposal from the industry or within USDA. The final order is to be issued and become effective no later than 120 days following publication of the proposed order. Changes to the order are subject to producer referendum except for changes in levels of unit representation on the United Soybean Board. (Section 2108)

The House amendment is the same as Senate except that the order must be issued and become effective not later than 180 days following publication of the proposed order. (Section 714)

The Conference substitute adopts the House position with an amendment to permit the Secretary to issue and to make effective certain orders and amendments to orders without first securing approval of such orders and amendments through a producer referendum. The intent of this amendment is to permit the Secretary to issue such orders and amendments on routine, administrative matters to facilitate the effective operation of the program authorized in this title. It is not the intent of the amendment nor the intent of the Managers to authorize the Secretary to issue orders or amendments to orders to overrule, modify, or in any other manner change matters specifically delineated in the Conference substitute or specifically subject to producer referendum as required by the Conference substitute. As specified in the Conference substitute, matters to remain subject to producer referenda would include: rates of assessments, producers exempt from assessments, nominating procedures, contracting procedures, procedures for carrying out referenda specified in the substitute, and other issues relating to the fundamental policies and guidelines established in the substitute. (Section 1968)

(8) Soybeans on Which Refunds Are Paid Not Included in State Production Level for Purposes of Establishing Board Representation

The Senate bill provides that at the end of each 3 year period beginning with the 3 year period starting on the effective date of the order, the Secretary, if necessary, shall adjust any State units and combined units. If the Secretary makes an adjustment in State units or combined units, the Secretary shall reapportion the seats on the Board to conform with the adjustments. If payment of refunds following the initial referendum is authorized by producers, in making such adjustments in State and combined units and seats on the Board, the Secretary shall exclude, from each State's annual soybean production, those bushels of soybeans on which such refunds are paid. (Section 2109)

The House amendment provides that at the end of each 3 year period, beginning with the three year period starting on the effective date of the order, the Secretary, if necessary, shall adjust established State units and combined units; and may make modifications, at the Board's recommendation to the Secretary, to the levels of soybean production used to determine per unit representation on the Board. If the Secretary makes such adjustments, the Secretary shall reestablish the seats on the United Soybean Board.

The Conference substitute adopts the Senate position. (Section 1969)

(9) Nomination and Appointment of Soybean Producers on Board

The Senate bill provides that the Secretary shall appoint to the initially-established United Soybean Board up to three temporary members to serve in addition to the members appointed. Each such temporary member shall be appointed for a single term not to exceed three years. The Secretary shall make temporary appointments to the initially-established Board to ensure, to the extent practicable, that each State with a State soybean board, that, prior to the date of enactment of this Act, was contributing State soybean promotion and research assessment funds to national soybean promotion and research efforts is represented on the initially-established Board with a number of seats that reflects the relative contributions of such State to the national soybean promotion and research effort. (Section 2109)

The House amendment is the same as the Senate bill except that it further provides that the Secretary shall ensure, to the extent practicable, that at least 5 of the members appointed to the United Soybean Board are members in good standing, and were members for at least 3 years prior to appointment to the Board, of a national general farm organization. Each of the 5 members must be a member of a different national general farm organization. The Secretary may appoint to the initially-established United Soybean Board up to 3 temporary members to serve in addition to the members appointed. Each such temporary member shall be appointed for a single term not to exceed three years. The Secretary, in making temporary appointments to the initially-established Board, shall ensure, to the extent practicable, that each State with a State soybean board that, that prior to the date of enactment of this Act, was contributing State soybean promotion and research assessment funds to national soybean promotion and research efforts has representation on the initially-established Board that reflects the relative contributions of such State to the national soybean promotion and research effort. (Section 715)

The Conference substitute adopts the Senate position. (Section 1969)

The Managers encourage the Secretary, in appointing nominees to the United Soybean Board, that at least five of the members appointed are members in good standing, and were members for at least three years prior to appointment to the Board, of a national general farm organization. The Managers encourage the Secretary, to the extent practicable, to ensure that each of these five members be a member of a different national general farm organization.

(10) Elect Committees to Serve on the Soybean Program Coordinating Committee

The Senate bill authorizes the United Soybean Board to elect members of the Board to serve on the Committee (Soybean Program Coordinating Committee). (Section 2109)

The House amendment provides that the United Soybean Board must elect members of the Board to serve on committees of the Board generally. (Section 715)

The Conference substitute adopts the Senate position with an amendment which does not require the order to require to establish the Committee (Soybean Program Coordinating Committee) nor does it require the Board to establish the Committee; however, the substitute permits the order and the Board to establish the Committee. (Section 1969)

(11) Budgets Submitted by the Committee

The Senate bill provides the United Soybean Board with the power and duty to approve, modify, or reject budgets submitted by the Committee (Soybean Program Coordinating Committee).

The House amendment provides the United Soybean Board with the power and duty to submit budgets to the Secretary for the Secretary's approval or disapproval.

The Conference substitute adopts the Senate position with an amendment giving the United Soybean Board the authority (discretionary) to assign to the Committee the power to develop budgets and projects and plans. (Section 1969)

(12) Contracting Authority

The Senate bill requires the United Soybean Board to contract with third parties to fulfill the purposes of this act. (Section 2109)

The House amendment provides the United Soybean Board with the power to contract for carrying out the purposes of this act with appropriate persons and with qualified State soybean boards. (Section 715)

The Conference substitute adopts the House position. (Section1969)

(13) Meeting Notice to Secretary

The Senate bill stipulates that the United Soybean Board must provide the Secretary with prior notice of meetings of the Board at such time as to permit the Secretary to attend.

The House amendment stipulates that the United Soybean Board provide prior notice of meetings of the Board to the Secretary to allow the Secretary or his designated representative to attend such meetings.

The Conference substitute adopts the House position with an amendment to require the Board to provide such notice to the Secretary with respect to meetings of committees of the Board as well. (Section 1969)

(14) Public Availability of Annual Report

The Senate bill provides that the United Soybean Board must provide at least annually a report to soybean producers accounting for funds spent and describing programs implemented.

The House amendment provides that the United Soybean Board must provide at least annually a report to producers accounting for funds and describing programs implemented and make such report available to the public upon request.

The Conference substitute adopts the House position. (Section 1969)

(15) Duplication of Efforts

The Senate bill has no comparable provision.

The House amendment provides that among the powers and duties of the United Soybean Board, the Board must, in carrying out the order, ensure that the development of the budget and activities conducted under the order do not duplicate efforts or cause the ineffective use of resources under any other soybean promotion, research, consumer information, or industry information program on the State or national level.

The Conference substitute adopts the Senate provision. (Section 1969)

However, it is the intent of the Managers that the United Soybean Board, in carrying out the order, ensure that it not fund programs which duplicate the efforts or cause the ineffective use of resources under, any other similar program on a state or national level.

Since many soybean promotion, research, consumer and industry information projects are carried out all across the country, it is imperative that Board members report their knowledge of ongoing or prospective soybean projects in their states to the Board to avoid wasteful duplication of efforts by the Board. With this in mind, it is critical that all Board members take an active role in the writing the Board's budget and developing its plans and projects.

(16) Establishment of Soybean Coordinating Committee

The Senate bill requires that the order shall provide for the establishment of the Soybean Program Coordinating Committee to assist in the administration of the order. The Committee shall be composed of 10 members and officers of the United Soybean Board, and nine producers elected by the national, nonprofit soybean producer-governed organization that promotes soybeans as a cooperator with the Foreign Agriculture Service. (Section 2109)

The House amendment has no similar provision. (Section 715)

The Conference substitute adopts the Senate provision with an amendment making the establishment of the Committee discretionary in the order and by the United Soybean Board. If the Committee is established, the composition of such Committee is as follows: For every two Board members appointed to the Committee, no more than one producer from the national, non-profit soybean producer-governed organization that promotes soybeans as a cooperator with the Foreign Agriculture Service shall be appointed to the Board. (Section 1969)

(17) Responsibilities of Committee, Board

The Senate bill provides that the Committee is responsible for the development of plans and projects for soybean promotion, research, consumer information, and industry information, and for the development of budgets for such plans and projects. The Board shall review and approve, reject, modify, or substitute a budget proposed by the Committee, and submit budgets to the Secretary for the Secretary's approval. (Section 2109)

The House amendment provides that the Board is responsible for the coordination of promotion and research projects and submitting budgets or any substantial modification thereof to the Secretary for the Secretary's approval. In approving or disapproving the budgets or modifications thereof, the Secretary must ensure that the activities to be funded do not cause a duplication of efforts of, or ineffective use of resources under, any other soybean promotion, research, consumer information, or industry information program on the State or national level. (Section 715)

The Conference substitute adopts the Senate position with an amendment to give the United Soybean Board authority to delegate to the Committee the responsibility to develop budgets, plans, or projects. (Section 1969)

(18) Budget Approval

The Senate bill provides that the Committee shall develop and submit budgets to the Board. The Board shall review and approve, reject, modify, or substitute a budget proposed by the Committee, and submit budgets to the Secretary for the Secretary's approval. Each budget shall be approved or disapproved by the Secretary within 45 days after the Secretary receives the budget. (Section 2109)

The House amendment provides that the Board shall develop and submit budgets to the Secretary. The Secretary must approve or disapprove each budget or modification thereof within 45 days after the Secretary receives the budget or modification thereof. No expenditure of funds may be made by the Board unless the expenditure is authorized under a budget or modification thereof approved by the Secretary. (Section 715)

The Conference substitute adopts the House position. (Section 1969)

(19) Administration

The Senate bill provides that the Board shall be responsible for all expenses of the Board and Committee, and that the board and Committee shall use staff and facilities of established national, nonprofit producer governed organizations that represent soybean producers to prevent duplication and inefficient use of funds. (Section 2109)

The House amendment provides that the Board shall be responsible for all expenses of the Board. The Board may establish an administrative staff or facilities of its own or contract for the use of the staff and facilities of national, nonprofit, producer-governed organizations that represent producers of soybeans. If the Board establishes an administrative staff of its own, the Board is authorized to expend for administrative staff salaries and benefits an amount not to exceed one percent of the projected level of assessments to be collected by the Board, net of any refunds to be made prior to the initial referendum in that fiscal year. (Section 715)

The Conference substitute adopts the House position and the Managers call special attention to the provision of the substitute limiting the amount of money that can be expended for administrative staff salaries and benefits by 1%. (Section 1969)

(20) Compensation

The Senate bill provides that the staff of such organizations shall not receive compensation directly from the United Soybean Board, but such organizations shall be reimbursed for the reasonable expenses of their staffs, including salaries, incurred in performing staff duties on behalf of the Board and Committee. (Section 2109)

The House amendment provides that if the staff of national, nonprofit, producer-governed organizations that represent producers of soybeans are used by the United Soybean Board, the staff of such organizations will not receive compensation directly from the Board, but such organizations will be reimbursed for the reasonable expenses of their staffs, including salaries, incurred in performing staff duties on behalf of, and authorized by, the Board. (Section 715)

The Conference substitute adopts the House position. (Section 1969)

(21) Limitation on Costs

The Senate bill provides that the costs incurred by the United Soybean Board in administering the order (not including administrative costs incurred by the Secretary) during any fiscal year shall not exceed 5% of the projected level of revenues to the Board (net of any refunds for that fiscal year.) (Section 2109)

The House amendment provides that the costs incurred by the United Soybean Board in administering the order (including the cost of staff but not including administrative costs incurred by the Secretary) during any fiscal year will not exceed 5 percent of the projected level of assessments to be collected by the Board, net of any refunds to be made under section 715(j)(2), for that fiscal year. (Section 715)

The Conference substitute adopts the House position. (Section 1969)

(22) Contracts and Agreements

The Senate bill provides that the United Soybean Board shall enter into contracts or agreements to carry out activities under this subtitle with established national, nonprofit producer-governed organizations that represent soybean producers (including the organization electing representatives to the Committee), and for the payment of the cost thereof with funds received by the Board under the order. (Section 2109)

The House amendment provides permissive contracting authority to the Board stipulating only that, to ensure coordination and efficient use of funds, the Board may enter into contracts or agreements for the implementation and carrying out of the activities authorized by this Act with national, nonprofit, producer-governed organizations that represent producers of soybeans, and for the payment thereof with funds received by the Board under the order. (Section 715)

The Conference substitute adopts the House position. (Section 1969)

(23) Coordination of Projects

The Senate bill provides that all plans or projects implemented within each program area of consumer and industry information, promotion, and research are implemented by a single national, nonprofit producer-governed organization that represents soybean producers, and there shall not be in force, at any one time, more than one contract or agreement for implementation of plans and projects for each general program area. (Section 2109)

The House amendment provides that to enhance coordination, the Board shall, when entering into contracts or agreements, ensure that all plans or projects implemented for consumer information, industry information, promotion, or research are implemented by a single entity. There shall not be in force, at any one time, more than one contract or agreement for implementation of plans or projects for consumer information, for industry information, for promotion, or for research, except that, upon approval of the Secretary, the Board may contract with qualified State soybean boards to implement plans or projects within their respective States. (Section 715)

The Conference substitute adopts the House position. (Section 1969)

The Managers intend that the Board may contract with different entities to implement plans or projects in the respective areas of consumer information, industry information, promotion, or research. To the extent the Board uses this authority, it is the intent of the Managers that the Board interpret the substitute in such a manner as to ensure that all similar programmatic functions be contracted with the same entity. For example, all consumer information activities are to be contracted to the same entity, all industry information activities are to be contract with the same entity, and so on. However, there is nothing in the substitute nor the intent of the Managers to preclude the Board from contracting with the same entity to carry out more than one area of programmatic activities.

(24) Communications to Producers Through Qualified State Soybean Boards

The Senate bill provides that the Board may enter into contracts or agreements with qualified State soybean boards for the implementation of plans or projects to coordinate and facilitate communications to producers regarding the conduct of activities under the order and for the payment of the costs of the plans or projects with funds received by the Board under the order. (Section 2109)

The House amendment has no comparable provision. (Section 715)

The Conference substitute adopts the Senate position with an amendment giving the Board permissive authority to contract for such communications. (Section 1969)

(25) Books and Records of Board

The Senate bill provides that the Board must maintain such books and records, which must be available to the Secretary for inspection and audit, as the Secretary may prescribe; prepare and submit to the Secretary, from time to time, such reports as the Secretary may prescribe; and account for the receipt and disbursement of all funds entrusted to the Board. The Board must have its books and records audited by an independent auditor at the end of each fiscal year and must submit a report of the audit to the Secretary. (Section 2109)

The House amendment provides that the Board must maintain such books and records, which must be available to the Secretary for inspection and audit, as the Secretary may prescribe; prepare and submit to the Secretary, from time to time, such reports as the Secretary may prescribe; and account for the receipt and disbursement of all funds entrusted to the Board. The Board must have its books and records audited by an independent auditor at the end of each fiscal year and must submit a report of the audit to the Secretary. The Secretary shall make such report available to the public upon request. (Section 715)

The Conference adopts the House position. (Section 1969)

(26) Refunds

The Senate bill provides that producers have the option to receive assessment refunds during the period prior to the initial referendum on the continuation of the order. Following the approval of the order in the initial referendum, refunds are permitted up until the time the Secretary polls producers on the continuance of refunds. If the Secretary determines, based on the poll, that the conduct of a referendum is supported by at least 10% of the producers (not in excess of one-fifth of which may be producers in any one State), who during a representative period, have been engaged in the production of soybeans, the Secretary shall conduct a referendum among all soybean producers to determine whether such producers favor the continuation of the payment of refunds under the order. (Section 2109)

The House amendment provides that refunds of assessments prior to the initial referendum are permissible upon the producers' request. (Section 715)

The Conference substitute adopts the Senate position with an amendment to require that the costs of the referenda on refunds are to be divided equally between the U.S. Department of Agriculture and the United Soybean Board. The percentage of producers necessary to request a referendum for the purpose of determining whether such producers favor the continuation of the payment of refunds under the order is increased to 20%. (Section 1969)

(27) Escrow Accounts for Refunds

The Senate bill provides that the United Soybean Board and each qualified State soybean board that collects assessments shall establish separate escrow accounts to be used to pay refunds of assessments, if such refunds are approved by a referendum of producers. (Section 2109)

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment which requires that each Qualified State Soybean Board establish an escrow account to be used to pay refunds. Each Qualified State Soybean Board shall deposit into its escrow account for refunds 10% of the total assessments collected by the Qualified State Soybean Board during the time period involved. Refunds of assessments requested from a State shall be made from the escrow account that is applicable to such State. Refunds of assessments requested by producers shall not exceed 10% of the assessments collected from such State. (Section 1969)

(28) Prohibition on Use of Funds

The Senate bill provides that the order shall prohibit any funds collected by the Board under the order from being used in any manner for the purpose of influencing legislation or governmental action or policy. Exceptions to this prohibition are limited to: the development and recommendation of amendments to the order or the communication to appropriate government officials of information relating to the conduct, implementation, or industry information activities under the order. (Section 2109)

The House amendment provides that the order shall prohibit any funds collected by the Board under the order from being used in any manner for the purpose of influencing any action or policy of the United States Government, any foreign, State or United States territory or possession government, or any political subdivision thereof. The prohibition shall not apply to the development and recommendation of amendments to the order; the communication to appropriate government officials of information relating to the conduct, implementation, or results of promotion, research, consumer information, and industry information under the order; or any action designed to market soybeans or soybean products directly to a foreign government or political subdivision thereof. (Section 715)

The Conference substitute adopts the Senate position with an amendment to include the House amendment's provision permitting the use of funds collected under the order to promote the marketing of soybeans directly to a foreign government. (Section 1969)

It is the Managers intent in authorizing the promotion activities as defined in this section, to permit the United Soybean Board to conduct activities which will improve the competitive position of soybeans and soybeans and soybean products both domestically and in foreign countries. Included in this definition are traditional promotion activities such as paid advertising and media relations activities.

The Managers recognize the heavy reliance on exports of the domestic soybean industry. If the domestic industry is to maintain and expand its export opportunities, it must provide importing nations with technical assistance relating to the storage, use or distribution of soybeans or soybean products and other trade servicing activities similar to those being conducted by industry organizations through the cooperator program implemented in conjunction with the Foreign Agricultural Service of the Department of Agriculture.

In addition, the Managers acknowledge that the United Soybean Board must, in certain situations, conduct activities designed to communicate information to those persons that have an influence on purchases, importation, utilization or distribution of soybeans or soybean products. In many instances, those persons include officials of foreign governments. Therefore, the officials of foreign countries relating to the positive attributes of soybeans or soybean products, or their importation, utilization or distribution or to develop information regarding the effects of existing or proposed impediments to trade or utilization. The Managers recognize the potential problems associated with the United Soybean Board engaging in foreign trade activities that may be viewed as establishing or conflicting with the conduct of the official policies of the U.S. government. A balance must be struck which will allow the United Soybean Board to conduct those activities necessary to facilitate exports, while not authorizing the United Soybean board to negotiate foreign trade policies on behalf of the U.S. Government. It is not the intent of the Managers that the United Soybean board independently conduct negotiations with or represent U.S. Government or domestic soybean producer industry positions to foreign government officials advocating the removal or modification of tariffs, quotas, or other import barriers. This would not preclude the United Soybean Board from providing technical assistance to the U.S. Government during negotiations or discussion. Trade negotiations are a function of the United States Trade Representative's Office. However, the United Soybean Board must be able to promote its products to those who have an influence on consumption and provide information to consumers, importers, processors, wholesalers, retailers and, as deemed appropriate by the Secretary of Agriculture, foreign government officials relating to the effects of existing or proposed impediments to trade or utilization of soybeans or soybean products. All contacts by the United Soybean Board with foreign government officials, including date and topic of discussion, are to be immediately reported to the Secretary.

It is the intent that all plans and projects conducted by the United Soybean Board are to be approved by the Agricultural Marketing Service of the Department of Agriculture. The Managers believe that this review process will preclude any activities by the United Soybean Board that could run counter to or obviate other official ongoing or planned trade-sanctioned activities of the United States Government. The Agricultural Marketing Service, in approving any projects which involve interaction with foreign government officials, shall consult with and obtain the views and comments of the Foreign Agricultural Service and the United States Trade Representative's Office.

(29) Loan collateral and Single Process

The Senate bill provides that the order may establish a procedure that authorizes the reimbursement of assessments paid by producers if soybeans, pledged as collateral for a loan issued under any Federal price support loan program, are redeemed. In such case, the first purchaser of redeemed soybeans shall be responsible for collecting all assessments due and remitting the assessments in the manner prescribed in the order. The procedures in the order for the collection of assessments on soybeans that are pledged as collateral for loans issued under any Federal price support program shall ensure, to the extent practicable, that such soybeans are subject to a single process of assessment under the order. (Section 2109)

The House amendment provides that the procedures in the order for the collection of assessments must ensure, to the extent practicable, that the soybeans are subject to a single process of assessment under the order. (Section 715)

The Conference substitute adopts the House position. (Section 1969)

(30) Recordkeeping Requirement

The Senate bill requires that each first purchaser of soybeans and any person processing soybeans of that person's own production maintain and make available for inspection such books and records as may be required by the order and file reports at the time, in the manner, and having the content prescribed by the order, except that the order shall exempt small producers processing soybeans of their own production who are not required to pay assessments under the order from recordkeeping and reporting requirements. The order shall define "small producer". (Section 2109)

The House amendment provides that each first purchaser of soybeans of that person's own production maintain and make available for inspection by the Board or the Secretary such books and records as may be required by the order and file reports at the time, in the manner, and having the content prescribed by the order. The order shall exempt small producers processing soybeans of their own production from such recordkeeping and reporting requirements if they are not required to pay assessments under the order. (Section 715)

The Conference substitute adopts House position with an amendment to require the order to define the term "small producer." (Section 1969)

(31) Confidentiality

The Senate bill requires all officers and employees of the Department, and agents of the Board to keep commercial or financial information acquired from first purchasers or processors confidential. This information shall be made available to any agency or officer of the Federal Government for the implementation of this subtitle; any investigatory or enforcement action necessary for the implementation of this subtitle or any civil or criminal law enforcement activity if the activity is authorized by law. Information obtained under this subtitle may not prohibit the issuance of general statements, based on the reports, of the number of persons subject to an order or statistical data collected therefrom, which statements do not identify the information furnished by any person; or the publication, by direction of the Secretary, of the name of any person violating any order, together with a statement of the particular provisions of the order violated by such person. (Section 2109)

The House amendment provides that any commercial or financial information obtained the order shall be kept confidential by all officers and employees of the Department, the Board, and agents of the board. Information obtained under the authority of this subtitle shall be made available to any agency or officer of the Federal Government for the implementation of this subtitle; any investigatory or enforcement action necessary for the implementation of this subtitle; or any civil or criminal law enforcement activity if the activity is authorized by law. (Section 715)

The Conference substitute adopts the Senate position with an amendment to require United Soybean Board members to maintain confidentiality of commercial or financial information obtained under the order. (Section 1969)

(32) Violation of Confidentiality

The Senate bill provides that any person violating the confidentiality provisions, upon conviction, shall be subject to a fine of not more than $1,000, or to imprisonment for not more than one year, or both, and if an agent of the Board or an officer or employee of the Department, must be removed from office. (Section 2109)

The House amendment provides that any person who intentionally or knowingly violates the confidentiality provisions, upon conviction, shall be subject to a fine of not more than $1,000, or to imprisonment for not more than one year, or both, and if an agent of the Board or an officer or employee of the Department, must be removed from office. (Section 715)

The Conference substitute adopts the House position. (Section 1969)

(33) Advance Notice of Any Referendum

The Senate bill provides the Secretary shall, to the extent practicable, provide broad public notice in advance of any referendum. Any such notice shall be provided without advertising expenses by means of newspapers, country newsletters, the electronic media, and press releases, through the use of notices posted in State and county Extension Service offices and county ASCS offices, and by other appropriate means specified in the order. Such notice shall include information on when the referendum will be held, registration and voting requirements, rules regarding absentee voting, and other pertinent facts. (Section 2110)

The House amendment has no comparable provision.

The Conference substitute adopts the Senate position. (Section 1970)

(34) Petition and Review

The Senate bill requires that challenges to the order first be brought before the Secretary for hearing and a ruling, and then for review in the United States district courts. (Section 2111)

The House amendment has a similar provision. (Section 717)

The Conference substitute adopts the Senate position with an amendment to make these provisions consistent with other promotion programs. (Section 1971)

(35) Enforcement

The Senate bill authorizes the Secretary to issue cease and desist orders and assess civil penalties for violations of the order. The United States district courts are authorized to enforce such orders and penalties, and the United States courts of appeals may review such orders and penalties. (Section 2112)

The House amendment has a similar provision. (Section 718)

The Conference substitute adopts the Senate position with an amendment to make these provisions consistent with other promotion programs. (Section 1972)

(36) Investigations and Power to Subpoena

The Senate bill authorizes the Secretary to make such investigations as are necessary to administer and enforce the program, and provides the Secretary the power to subpoena witnesses, administer oaths and affirmations, and otherwise obtain records and evidence. The courts of the United States are authorized to enforce the subpoenas issued by the Secretary through use of their contempt power. (Section 2113)

The House amendment has a similar provision, except the Secretary is not granted the authority to issue investigatory subpoenas. (Section 719)

The Conference substitute adopts the House position with an amendment to make this provisions consistent with other promotion programs. (Section 1973)

(37) Administrative Provisions

The Senate bill provides that the subtitle shall not supersede or preempt any State soybean promotion program, except that States may not conduct certain referenda on the continuation of their programs from the time of the issuance of the order until 36 months after the initial referendum under this Act; and State limits on assessment rates will not prohibit qualified State soybean boards from recovering the full amount authorized under the subtitle. (Section 2114)

The House amendment has a similar provision, except that the limitation on State referenda does not apply in the case of a State referendum that is originated by soybean producers. (Section 720)

The Conference substitute adopts the Senate position with an amendment to clarify that the prohibition on State referenda does not apply if the referendum is originated by producers. (Section 1974)

(38) Suspension or Termination of Orders

The Senate bill provides that the Secretary may suspend or terminate the order or any provision that obstructs or does not effectuate the policy of this subtitle. (Section 2115)

The House amendment has no comparable provision.

The Conference substitute adopts the Senate position. (Section 1975)

Subtitle F—Honey and Wool

CHAPTER 1—HONEY

(39) Honey Research and Promotion Act Amendments [S 2185-2191; H 611-617]

The Senate bill amends existing law to—

(1) reforms board and committee nominations process;

(2) limits assessment exemptions to home use, donations, etc.; and

(3) reforms provisions for refund of importer assessments.

The House amendment is the same as Senate.

CHAPTER 2—WOOL

(40) Amendment to National Wool Act of 1954 [S 1730; H 502]

The Senate bill reduces from 2/3 to a majority the number of producers needed to approve a referendum on promotion and related activities.

The House amendment is the same as Senate.

The Conference accepts the Senate provision.

Subtitle G—Cotton

(41) Findings and declaration of policy [S2122; H1474]

The Senate bill amends the Cotton Research and Promotion Act (the Act) to declare findings of Congress that assessments should be collected on all cotton marketed in the United States, including imports of cotton.

The House amendment is the same as Senate, except it also—

(1) acknowledges foreign produced cotton;

(2) clarifies that cotton moves in interstate and foreign commerce; and

(3) recognizes that manmade fibers have affected the market for foreign produced cotton, as well as U.S. produced cotton.

The Conference substitute adopts the House provision.

(42) Alternative order; or amendments to required terms in current order [S2123; H1475]

The Senate bill provides that new § 7A(a) provides that the Secretary shall issue an alternative order within 60 days. Such order will be substantially the same as the existing order, except that it will require assessments on imports and end the present practice of refunding assessments to domestic producers who request them. Incumbent members of the Cotton Board shall serve their full term.

The House amendment provides that section 1475(1) will make technical and conforming amendments to section 7(a)(2) of the Act, consistent with section 1475.

The Conference substitute adopts the House provision.

(43) Cotton Board representation

The Senate bill provides that new §7A(b) establishes a Cotton Board to administer the order, with membership selected by the Secretary to represent cotton-producing states, importers and consumers.

The House amendment provides that section 1475(2) will add a new section 7(b)(2) to the Act to require, when imports of cotton are subject to an order, that—

(A) the Cotton Board established pursuant to section 7(a) of the Act include an appropriate number of representatives, as determined by the Secretary, of importers of cotton on which assessments are paid under the Act;

(B) such importer representatives will be appointed by the Secretary after consultation with organizations representing importers; and

(C) each cotton-producing State is entitled to at least one representative on the Cotton Board.

The Conference substitute adopts the House provision.

(44) Payment of assessments

The Senate bill provides that new §7A(c)-(d) provides that the Cotton Board prepare a plan covering proposed activities and budget for the Secretary's review and approval.

The House amendment has no comparable provision.

The Senate bill provides that new §7A(e) requires that the alternative order provide for the payment of assessments by producers through handlers to the Board, and by importers directly to the Board.

The House amendment provides that section 1475(3) will amend section 7(e)(1) to require such orders to contain terms and conditions providing that—

(A) the producer or other person for whom the cotton is being handled must pay an assessment prescribed by the order to the handler of such cotton;

(B) such handler shall collect the assessment from the producer or other person for whom the cotton, including cotton owned by the handler, is being handled, and shall pay such assessment to the Cotton Board; and

(C) each importer shall pay such assessment to the Cotton Board on imports of cotton,

as such assessment is prescribed by the order, on the basis of bales of cotton handled or imported.

The Senate bill provides that a reasonable reserve may be established.

The House amendment provides that section 7(e)(1) will also require the assessment to cover such expenses and expenditures, including provision for a reasonable reserve, as the Secretary finds are reasonable and likely to be incurred by the Cotton Board under the order, during any period specified by the Secretary.

The Conference substitute adopts the House provision.

(45) Reimbursement of Government costs

The Senate bill provides that the Board shall reimburse the Secretary for referendum and administrative costs, and other government agencies for administering the import provisions.

The House amendment provides that the new section 7(e)(2) will require the order to provide for reimbursing the Secretary—

(A) for expenses, not to exceed $300,000, incurred by the Secretary in connection with any referendum conducted under section 8 of the Act; and

(B) for administrative costs incurred by the Secretary for supervisory work up to 5 employee years after an order or amendment to an order has been issued and made effective.

The new section 7(e)(2) will also require that there be included in the order a provision for reimbursing any agency of the Federal Government that assists in administering the import provisions of the order for a reasonable amount of the expenses incurred by that agency in connection therewith.

The new section 7(e)(3) will authorize the Cotton Board, in order to facilitate the collection and payment of assessments under section 7 of the Act, to designate different handlers or importers, or classes of handlers or importers, to recognize differences in marketing practices or procedures utilized in any State or area, with the exception that no more than one such assessment may be made on any bale of cotton, unless specifically authorized by provisions of section 7(e) of the Act.

The Senate bill provides that not more than one assessment may be collected on each bale.

The Conference substitute adopts the House provision.

(46) Rate of assessment

The Senate bill provides that the amount of assessment shall be $1.00 per bale plus a supplemental amount not to exceed 1 percent of the value as determined by the Cotton Board.

Imports will be assessed an amount the Secretary determines to be fair and equitable to the amount collected on domestically produced cotton.

The House amendment provides that new section 7(e)(4) of the Act will require—

> (A) the rate of assessment prescribed by the order to be $1 per bale of cotton handled, supplemented by an additional per bale amount not to exceed 1 percent of the value of cotton as determined by the Cotton Board and the Secretary;
>
> (B) the rate of assessment on imports of cotton to be determined in the same manner as the rate of assessment per bale of cotton handled; and
>
> (C) that the value to be placed on cotton imports for the purpose of determining the assessment on such imports be established by the Secretary in a fair and equitable manner.

The Conference substitute adopts the House provision.

(47) Reduction of assessment for cotton re-entering the U.S.

The Senate bill provides that the Secretary may reduce the assessment on imported cotton to reflect the reimportation of domestically produced cotton in the form of value-added products. (New section 7A(e)(8)(C))

The House amendment has no comparable provision.

The Senate bill provides that the Secretary may file suit against a person subject to the alternative order for collection of the assessment in any district court.

The House amendment provides that the new section 7(e)(5) of the Act will prohibit any authority under the Act from being used as a basis to use funds collected under the Act to advertise or solicit votes in any referendum relating to the rate of assessment.

The new section 7(e)(6) will authorize the Secretary to maintain a suit against any person subject to the order for the collection of such assessment, and vest the several district courts of the United States with jurisdiction to entertain such suits regardless of the amount in controversy. Section 7(e)(6) will also clarify that the remedies provided in section 7 of the Act are in addition to, and not exclusive of, the remedies provided for elsewhere in the Act or now or hereafter existing at law or in equity.

The new section 7(e)(7) will require that the provisions of section 7(b) (regarding representation on the Cotton Board) and section 7(e) (regarding assessments) not be applicable to cottonseed and the products derived from cotton and its seed.

The new section 7(e)(8) will provide that the provisions of section 7(e) of the Act relating to importers and assessments on imports of cotton will be effective only if approved in a referendum as provided in section 8(b) or 8(c) of the Act, as added by section 1476 of the bill.

The Senate bill provides that new §7A(f) provides for the Cotton Board to maintain certain books and records for the Secretary.

The Senate bill provides that new §7A(g) authorizes the Cotton Board to enter into contracts, with the Secretary's approval, to carry out authorized activities. Organizations representative of cotton producers may enter into contracts with the Board, provided they submit an annual program and budget that is approved by the Secretary. Contractors shall keep accurate records and shall annually report to the Board on activities using assessments.

The Senate bill prohibits use of assessments to influence governmental policy except to recommend amendments to the Secretary.

The House amendment retains current law, which contains a similar provision.

The Conference substitute adopts the House provision. The Managers intend for the Secretary of Agriculture and the Secretary of Treasury jointly, to establish procedures under which assessments on imports will be collected and remitted by the Customs Service to the Cotton Board. Any unpaid assessments due from an importer should be deducted by Customs from the importer's surety bond.

The Managers intend for the Secretary, in consultation with the Commissioner of Customs, to establish a fair and reasonable method of calculating the bale equivalent cotton content of imported products for the purpose of applying the assessment.

The Managers intend for the Secretary, in consultation with the Commissioner of Customs, to develop a means of exempting the cotton content of imported products if it can be reasonably ascertained that the cotton has been previously assessed or is cotton which would be classified as extra long staple not subject to the assessment provisions.

The Managers expect the United States Customs Service to cooperate with the Department of Agriculture in administering and enforcing the provisions of the Act, and to be reimbursed for expenses incurred in connection with administering and enforcing the import provisions of the program.

Some of the Managers remain concerned about the potential inequities of collecting assessments on imports of cotton and cotton-containing products, such as textiles and garments, when the imports of those products are subject to import quotas.

Approximately 80 percent of total imports of cotton textile and garment products are currently subject to quota restrictions. Approximately 93 percent of total cotton textile imports are potentially subject to quota restrictions under the current textile quota program. If consumer demand for cotton products increases as a result of the cotton research and promotion program, importers would only benefit to the extent that the relevant import quotas allow for growth proportionate to the growth in the market. It is not clear that this would necessarily be the case. Therefore, there is the potential for importers to contribute to the research and promotion program on an equal footing with domestic producers, but be denied equivalent benefits.

The Managers do not intend for this inequity to result, and urge the Administration to administer both the cotton research and promotion program and the import quota programs for cotton and cotton products in such a manner as to provide the greatest possible opportunity for importers to benefit from the research and promotion program on an equivalent basis as domestic producers of cotton and cotton products.

(48) Requirements for referenda [S2124; H1476]

Publication of order

The Senate bill requires the Secretary to issue the order within 120 days of publication and after notice and opportunity for public comment.

The House amendment provides that the new section 8(b)(1) of the Act will require the Secretary, notwithstanding the provisions of sections 4 and 5 of the Act (regarding notice and hearing, and the finding required prior to the issuance of an order), not later than 150 days after the date of enactment, and after notice and opportunity for public comment, to issue a proposed amendment to the order implementing the provisions of part 4.

The Conference substitute adopts the House provision.

(49) Initial Referendum

The Senate bill provides that a producer referendum on the alternative order within 8 months of enactment. The alternative order is effective if approved by a majority of producers voting, and regulations to implement the order shall be published within 90 days of publication of the results.

The House amendment provides that the new section 8(b)(2) of the Act will require the Secretary, notwithstanding the provisions of the current section 8 of the Act, to conduct, within a period not to exceed 8 months after the date of enactment of the bill, a referendum among persons who have been cotton producers and importers during a representative period for the purpose of ascertaining if a majority of those voting approve the proposed amendment to the order. The new section 8(b)(2) will also require the Secretary—

> (A) to announce the results of the referendum within 30 days after the date of such referendum; and
>
> (B) if the amendment is approved in the referendum, to publish the amendment to the order and regulations implementing the amendment within a period not to exceed 90 days from the date of announcement of the results of such referendum.

The Conference substitute adopts the House provision, with an amendment.

The Managers expect the Secretary to establish procedures under which importers of cotton and cotton products who are eligible to vote in the referendum may be identified in a fair and reasonable manner with minimal administrative burdens.

(50) Reconfirmation referendum

The Senate bill provides that a second referendum shall be held within 15 to 30 months of enactment among producers and importers. A majority of producers and a majority of importers must disapprove the order to terminate the order. Otherwise, final regulations will be issued within 90 days of publication of the results.

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

(51) Periodic referenda

The Senate bill has no comparable provision.

The House amendment provides that new section 8(c)(1) will require the Secretary—

(A) notwithstanding the provisions of sections 4 and 5, once every five years after the date of the referendum provided for under section 8(b), to conduct a review to ascertain whether a referendum is needed to determine whether producers and importers favor continuation of the amendment to the order provided for in part 4 if such amendment is then in effect or, if such an amendment is not in effect, whether they favor approval of such an amendment;

(B) to make a public announcement of the results of the review described in (A) above within 60 days after each fifth anniversary date of the referendum provided for under section 8(b); and

(C) if the Secretary determines to provide for such a referendum, to conduct the referendum within 12 months after a public announcement of the determination to conduct the referendum.

The Conference substitute adopts the House provision.

(52) Escrow account

The Senate bill provides an escrow account of 10 percent of assessments will be held until the second referendum is complete, and refunds shall be made if the order is disapproved to producers and importers.

The House amendment has no comparable provision. No escrow account is necessary as the amendments to the order must be approved by referendum before refunds are disallowed.

The Conference substitute adopts the House provision.

(53) Additional referenda

The Senate bill provides additional referenda may be requested by 10 percent of the producers and importers (not more than 20 percent from any one state or importers) every 5 years to disapprove the order.

The House amendment provides that the new section 8(c)(2) will require the Secretary, if the Secretary does not provide for such a referendum on the Secretary's own initiative, to conduct such a referendum upon the request of 10 percent or more of the number of cotton producers and importers voting in the most recent referendum, except that, in counting such requests for a referendum, not more than 20 percent of such requests may be from producers from any one State. Producers and importers may sign up to request a referendum at the county ASCS office, or county extension agent, or by mailing such a request to the Secretary. Section 8(c)(2) will also require the signup period for such a referendum—

(A) to be for a period not to exceed 90 days;

(B) commence 60 days after the Secretary makes a public announcement of a determination not to provide for a referendum on the Secretary's own initiative; and

(C) be publicized by the Secretary and the Cotton Board immediately after such public announcement. Requires the referendum to be held within 12 months after the end of the signup period, if requested by the requisite number of persons.

The Senate bill has no comparable provision.

The House amendment provides that the new section 8(c)(3) will require that the amendment to the order provided for in section 8(c) not be effective if it is disapproved by a majority of cotton producers and importers of cotton voting in the referendum.

The Conference substitute adopts the House provision, with an amendment providing that if a subsequent referendum is requested, not more than 20 percent of such requests may be from producers form any one State or importers of cotton.

(54) Suspension and termination of orders [H1477]

The Senate bill has no comparable provision.

The House amendment amends section 9(b) of the Act to provide for the representation of importers in a referendum to suspend or terminate an order under the Act, by—

(1) authorizing the Secretary to conduct a referendum at any time; and

(2) requiring the Secretary to hold a referendum on request of a number of producers and importers (if importers are subject to the order) equivalent to at least 10 percent of those persons voting in the most recent referendum to determine whether cotton producers and importers subject to the order favor the termination or suspension of the order.

Will also require the Secretary to suspend or terminate the order at the end of the marketing year, as defined in the order, whenever the Secretary determines suspension or termination of the order is approved by a majority of producers and importers (if importers are subject to the order) voting in the referendum who, during a representative period determined by the Secretary—

(1) have been engaged in the production and importation of cotton; and

(2) produced and imported more than 50 percent of the volume of cotton produced and imported by those voting in the referendum.

The Conference substitute adopts the House provision.

(55) Amendments to the order [S2124 new § 8(e) of the Act); H1478]

The Senate bill provides disapproval of any alternative order or an amendment shall not operate to invalidate the order in effect on the date of the referendum.

The House amendment provides that section 1478 of the bill will amend section 10(a) of the Act to require the provisions of the Act applicable to orders to be applicable to amendments to orders.

The new section 10(b) will prohibit any amendment to an order from being effective unless the Secretary determines that—

(1) with respect to an amendment referred to in section 8(b) or (8)(c) of the Act, the amendment is approved by producers and importers of cotton as provided therein; or

(2) with respect to any other amendment, that the amendment is approved by a majority of cotton producers and importers subject to the order voting in the referendum.

The new section 10(c) will prohibit the disapproval of any amendment to an order issued under the Act from being deemed to invalidate such order.

The Conference substitute adopts the House provision.

(56) Termination of producer refunds [S2125; H1479]

The Senate bill terminates the Cotton Board's authority to process refunds if the alternative order is approved in a referendum.

The House amendment provides that section 1479 will amend section 11 of the Act by adding a new subsection (b) to require that the right of a producer to demand a refund under section 11(a) (the current section 11 of the Act) will—

(1) terminate if the proposed amendment of the order is approved in the referendum provided for under the new section 8 of the Act;

(2) terminate 30 days after the date the Secretary announces the results of such referendum, if such proposed amendment is approved; and

(3) be reinstated if such amendment should be disapproved in any subsequent referendum.

The Conference substitute adopts the House provision.

(57) Definitions [S2126; H1480]

(58) "Cotton" to include importers

The Senate bill provides that §2126 defines "cotton" to mean all upland cotton harvested in the United States and imports of upland cotton, including the upland cotton content of the products derived thereof (other than industrial products as defined by the Secretary).

De minimis amounts of imported cotton may be exempt from assessments to minimize the administrative burden but provide for maximum participation of imports in assessments.

The House amendment provides that §1480 will amend section 17 of the Act to amend the current definitions of "cotton" and "handler" to provide for imports of cotton, and to define "import" and "importer".

§1480(1) amends the definition of the term "cotton" to—

(A) include imports of upland cotton; and

(B) exclude any entry of imported cotton by an importer that has a value or weight less than any de minimis figure established by the Secretary. Any such de minimis figure must be established so as to minimize the burden in administering the assessment provision but still to provide for the maximum participation of imports of cotton in the assessment provisions of the Act.

The Conference substitute adopts the House provision with an amendment including the upland cotton content of the products derived from upland cotton in the definition of the term "cotton".

(59) "Handler" to include importers

The Senate bill provides that the definition of a "handler" is expanded to include any person who imports cotton.

The House amendment provides that § 1480(2) will amend the definition of the term seas"handler" to include any person who imports cotton, including de minimis amounts of cotton.

The Conference substitute adopts the House provision.

(60) "Imports" and "Importer"

The Senate bill provides that an "importer" is defined as any person who enters, or withdraws from warehouse, cotton for consumption in the customs territory of the United States.

The House amendment provides that § 1480(3) will provide that—

> (A) the term "importer" will mean any person who enters, or withdraws from warehouse, cotton produced outside the United States for consumption in the customs territory of the United States; and
>
> (B) the term "import" will mean any such entry, or withdrawal from warehouse, of any such cotton.

The Conference substitute adopts the House provision, with an amendment to delete the reference to cotton "produced outside the United States".

(61) Clarifying amendment [S2127]

The Senate bill amends § 7(e) of the Act (regarding payment of assessments) to clarify that the provisions of § 7(e) shall not apply to cottonseed and the products derived from cotton and its seed.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision, with an amendment directing the Secretary of Agriculture and the Commissioner of Customs to submit reports on the implementation of this Act one year after the date on which imports begin to be subject to assessments. An additional report from the General Accounting Office is required after three years.

Subtitle H—Processor-Funded Fluid Milk Promotion Program

(62) Subtitle B—Processor-Funded Milk Promotion Program Short Title [SB 121]

The Senate bill provides that this subtitle may be cited as the "Fluid Milk Promotion Act of 1990". (Section 121)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision (Sec. 1999A).

(63) Findings and Declaration of Policy [SB 122]

The Senate bill lists several findings about the importance of milk in the human diet and the role of the dairy industry in the economy of the United States. This section also includes a policy statement that it is in the public interest to strengthen the position of the dairy industry in the marketplace and to expand uses for Class I fluid milk products. (Section 122)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to include findings recognizing the importance to the dairy industry of its fluid milk segment and the benefits to be derived from implementation of a coordinated program of advertising and promotion of fluid milk. (Sec. 1999B).

(64) Definitions

The Senate bill defines certain terms used in the subtitle. (Section 123)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with a technical amendment (Sec. 1999C).

(65) Authority to Issue Orders

The Senate bill requires the Secretary to issue and amend orders applicable to all processors of milk. The Secretary may issue orders authorizing the collection of assessments on Class I fluid milk products and use the assessments for research and advertising as prescribed by this subtitle. Only one national order may be in effect at any time. (Section 124)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with a technical amendment (Sec. 1999D).

(66) Notice and Hearings

The Senate bill provides that if the Secretary receives a request for the issuance of an order under this subtitle, and specific proposal for a plan, from Class I processors representing not less than 30 percent of Class I fluid milk product sales, the Secretary may propose the issuance of an order under this subtitle. (Section 125)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to provide for a period of notice and comment to begin after publication of a proposed order (Sec. 1999E).

(67) Findings and Issuance of Orders

The Senate bill provides that after notice and comment are given, the Secretary shall issue the order for the program. (Section 126)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to provide that an approved order shall take effect not later than 180 days after the proposed order is published (Sec. 1999F).

(68) Regulations

The Senate bill authorizes the Secretary to issue such regulations as may be necessary to carry out this subtitle and grants various authorities to the Secretary. (Section 127)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision (Sec. 1999G).

(69) Required Terms in Orders

The Senate bill provides that the order shall establish a National Processor Advertising and Promotion Board. Members of the Board shall represent marketing regions established in this section. This section states the terms of office and powers and duties of the Board. This section also requires the Board to develop a budget to implement the order and sets out conditions for handling the financing of the program as well as for maintaining the books and records of the Board. This section also prohibits the use of funds to influence legislation or government policy, or to permit the Board to contract with processor organizations for certain services and also prohibits branded advertising. (Section 128)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with amendments to provide that the Secretary shall establish 12 through 15 regions and be required to appoint 5 at-large members to the board including at least 3 fluid milk processors and at least 1 member of the general public. The Conference substitute requires that the Department of Agriculture be reimbursed for all costs associated with conducting a referendum and provides that within one year from the effective date of an order the Board shall spend not more than 5 percent of assessment receipts on administrative expenses. The Conference substitute deletes the Senate provisions which would have prohibited the Board from contracting for services with processor organizations. (Sec. 1999H)

The Conference substitute provides that privileged and confidential information obtained by the Secretary from any processor's books and records may only be revealed to the public in connection with a suit or administrative hearing.

The Conference substitute would require that the Board coordinate with the National Dairy Promotion and Research Board in the collection of assessments. It would also require that the Secretary provide for an annual independent evaluation of the effectiveness of the order.

(70) Permissive Terms

The Senate bill provides for additional terms for each order, including different payment and reporting schedules, advertising, research and development, and reserve funds. (Sec. 129)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment deleting provisions for the order to designate different payment and reporting schedules for processors (Sec. 1999I)

(71) Assessments

The Senate bill provides that the assessment is to be added to all Class I milk differentials or minimum prices. The assessment shall not be deducted from the payment made to a producer for Class I milk sold to a processor. This section also sets the conditions and procedures for the collection and assignment of the assessments to the Board. (Section 130)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment.

The Conference substitute requires collection of the assessment under an approved order on all marketings of fluid milk products in consumer-type packages. Assessments shall not reduce producer prices paid under Federal milk marketing orders and shall not reduce amounts handlers must pay to producers for products sold to a processor. The assessment shall not be added to the Class I price under the Federal milk marketing orders and shall not be deducted from the price of milk paid to a producer by a handler.

The Managers are aware that milk producers are currently subject to assessment under the Dairy Promotion Program established under the Dairy Product Stabilization Act of 1983. The Managers are determined that the fluid milk promotion program established in this substitute should in no way cause the reduction of milk producer income. The Secretary is direct to take necessary steps to ensure the protection of producer income in the event that an order is approved pursuant to the subtitle. The Conference substitute also provides that no more than one assessment under this subtitle may be charged on any unit of fluid milk product. (Sec. 1999J).

(72) Petition and Review

The Senate bill allows a person subject to an order issued under this subtitle to file a petition with the Secretary challenging the legality of the order or requesting a modification in the order. This section establishes the procedures for a hearing and ruling on the petition. (Section 131)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with a technical amendment (Sec. 1999K).

(73) Enforcement

The Senate bill establishes the jurisdiction of the courts, civil penalties and legal enforcement procedures for the order. (Section 132)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to provide that any appeal of a penalty assessed or of a cease-and-desist order issued by the Secretary may be appealed to a district court of the United States (Sec. 1999L).

(74) Investigations and Power to Subpoena

The Senate bill authorizes the Secretary to make such investigations that the Secretary considers necessary to carry out the order or to determine if a person has engaged in practices that constitute a violation of this subtitle. This section also gives the Secretary the right to administer oaths, subpoena witnesses and take evidence in relation to this subtitle. (Section 133)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with a technical amendment (Sec. 1999M).

(75) Requirements of Referendum

The Senate bill requires that the Secretary conduct a referendum among Class I processors to determine if the processors favor the implementation of the order. This section sets out procedures for this referendum. Implementation of an order is to occur if favored by processors voting in the referendum who represent 60 percent or more of the volume of Class I fluid milk products represented in the referendum (Section 134).

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to require that a referendum be conducted within the 60-day period immediately preceding the effective date of an order. Implementation of the order is to occur if the Secretary determines from the referendum that it is favored by: (1) at least 50 percent of fluid milk processors voting in the referendum; and (2) fluid milk processors representing 60 percent or more of the volume of fluid milk products marketed by all processors in the United States during a representative period. The Secretary shall be reimbursed from any assessments collected by the Board for any expenses incurred by the Department in connection with conducting the referendum (Sec. 1999N).

(76) Suspension or Termination of Orders

The Senate bill provides that the Secretary may terminate or suspend the operation of the order if the Secretary finds that it does not effectuate the declared policy of this subtitle. This section also provides for other referenda in the order. An order may be suspended or terminated if suspension or termination is favored by Class I processors voting in a referendum who represent, as determined by the Secretary, 60 percent or more of the volume of Class I fluid milk products. (Section 135)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to provide that any order in effect under the subtitle shall be terminated on December 31, 1996. The Conference substitute provides that an order is to be terminated or suspended if such an action is favored by: (1) at least 50 percent of fluid milk processors voting in the referendum; and (2) fluid milk processors representing 40 percent or more of the volume of fluid milk products marketed by all processors in the United States during a representative period. (Sec. 1999O).

(77) Amendments

The Senate bill allows the Secretary to conduct up to one referendum each year on the assessment rate and to adjust the assessment rate. (Section 136)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to provide that adjustment to the assessment rate shall be made if found to be favored by: (1) at least 50 percent of fluid milk processors voting in the referendum; and (2) fluid milk processors representing 60 percent or more of the volume of fluid milk products marketed by all processors in the United States during a representative period. The Conference substitute also provides that in no event may the rate of assessment exceed 20 cents per hundredweight (Sec. 1999P).

(78) Independent Evaluation of Programs

The Senate bill requires the Comptroller General of the U.S. to review and evaluate the order no later than two years after the date of enactment. (Section 137)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to require that the Comptroller General's report be submitted by January 1, 1995 (Sec. 1999Q).

(79) Authorization of Appropriations

The Senate bill authorizes such funds as may be necessary to carry out this subtitle. However, the funds so appropriated shall not be available for the payment of the expenses or expenditures of the Board in administering any provision of any order issued under this subtitle. (Section 138)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision (Sec. 1999R).

Subtitle I—Miscellaneous Provisions

(80) Producer Research and Promotion Board Accountability [H 1414]

The Senate bill has no comparable provision.

The House amendment has a Sense of Congress stating that the federally-authorized checkoff boards should diligently perform their statutory obligations, and should review their charters to ensure that their duties have not been inappropriately delegated.

The Conference accepts the House provision.

(81) Consistency with U.S. International Obligations [H 1494]

The Senate bill has no comparable provision.

The House amendment prohibits the provisions of any commodity research and promotion program from being applied to commodity imports unless applied in a nondiscriminatory manner consistent with U.S. international obligations.

The Conference substitute adopts the House provision with an amendment to require the Secretary of Agriculture—

(1) prior to the promulgation of, or amendment to, any order or plan under a research and promotion program relating to research and promotion of any agricultural commodity or product, after the date of enactment of this title, where such order or plan would provide for an assessment on imports, to consult with the United States Trade Representative regarding the consistency of the provisions of the order or plan with the international obligations of the United States; and

(2) to take all steps necessary and appropriate to ensure that any order or plan or amendment to such order or plan, and the implementation and enforcement of any order or plan or amendment to such order or plan, or program as it relates to

imports is nondiscriminary and in compliance with the international obligations of the United States, as interpreted by the United States Trade Representative.

The Conference substitute would also prohibit anything in section 1999T from being construed as providing for a cause of action under such section.

It is the expectation of the conferees that, in the event that the U.S. Trade Representative has reason to believe that a provision of U.S. law relating to any commodity research and promotion program is in conflict with U.S. international obligations (for example, as a result of a GATT panel report), the U.S. Trade Representative shall so notify the Congress. The conferees further expect that the Secretary of Agriculture, with the concurrence of the U.S. Trade Representative would, in such a case, submit to the Congress proposed legislation to bring U.S. law into compliance with U.S. international obligations.

(82) Agricultural Product Promotion and Enhancement [H 1841]

The Senate bill has no comparable provision.

The House amendment has a Sense of Congress that commodity checkoff programs should—

(1) focus their efforts on improving marketing conditions for their products;

(2) provide consumers with information on certain public issues; and

(3) pursue new food and nonfood uses for agricultural products.

The Conference substitute deletes the House provision.

TITLE XX—GRAIN QUALITY

(1) Short Title

The Senate bill provides that the short title will be the "Grain Quality Incentives Act of 1990". (Section 1801)

The House amendment does not provide a short title.

The Conference substitute adopts the Senate provision.

(2) Committee on Grain Quality and Grain Quality Coordinator

The Senate bill requires the Secretary to establish a USDA Committee on Grain Quality that will be chaired by a Grain Quality Coordinator who will—(1) evaluate problems with U.S. grain quality; (2) inform foreign buyers how to properly identify grain in purchase contracts to obtain the quality of grain desired; (3) review USDA activities to determine if they are consistent with subtitle A of Title III of the Senate bill and other laws relating to grain quality competitiveness; (4) coordinate Federal Government activities with respect to grain quality competitiveness; and (5) investigate and communicate through the Secretary, to the Committees on Agriculture concerning—(a) USDA actions that are intended to improve U.S. grain quality or that are inconsistent with such improvement; (b) production and marketing conditions that discourage quality improvements; (c) the interrelationship of various agencies' rules and actions relating to grain production, handling, storage, transportation, and processing as they affect grain quality; (d) recommendations for legislative or regulatory changes addressing grain quality issues; (e) progress in and potential opportunities and benefits from the international harmonization of sanitary and phytosanitary requirements affecting grain; (f) alternative forms of financial and technical assistance available and needed by producers operators to acquire and properly utilize grain cleaning, drying, and storage equipment; and (g) progress on the implementation of requirements of other sections of the subtitle. (Section 1811)

The House amendment is the same, with a provision that the Committee on Grain Quality will remain in existence for at least 10 years. The House provision does not mention the Occupational Safety and Health Administration. (Section 1801)

The Conference substitute adopts the House provision, with a modification that the Committee on Grain Quality will remain in existence through January 1, 2001.

(3) Benefits and Costs Associated With Improved Grain Quality

The Senate bill requires the Secretary to estimate the economic impact of making major changes necessary to carry out the title's amendments to the United States Grain Standards Act (USGSA) (changing grades and standards and imposing cleanliness limits on grain). (Section 1812)

The House amendment is the same as the Senate bill, with technical differences. (Section 1802)

The Conference substitute adopts the Senate provision, with technical changes.

(4) Classification, Grades and Standards Design Framework

The Senate bill amends section 2(b) of the USGSA. Adds provisions requiring that official U.S. standards for grain: (1) reflect economic value-based characteristics in the intermediate and end uses of grain; and (2) accommodate scientific advances in testing and new knowledge concerning factors related to, or highly correlated with, the end use performance of grain. (Section 1821)

The House amendment is the same as the Senate, except it omits the requirement that grain standards reflect economic value based characteristics in the intermediate uses of grain. (Section 1803)

The Conference substitute adopts the House provision. The managers note that there are several "end-users" of grain. In the case of wheat, a miller is the end-user of the raw grain, the baking industry is the end-user of the flour, and the consumer is the ultimate end-user of the product. In developing grain standards for the end-user, the Administrator should consider that there are several stages in the chain of processing grains that could be considered "end-users", from the miller, or processor, through the baker, or feed manufacturer.

(5) Improving the Cleanliness of Grain

The Senate bill requires the Federal Grain Inspection Service (FGIS) administrator to establish or amend standards to include economically and commercially practical levels of cleanliness for No. 3 or better grain (subject to economic justification). The Administrator is required to make this finding within 1 year of the date of enactment. In setting requirements for cleanliness characteristics, the Administrator must consider technical constraints, economic benefits and costs, price competitiveness of U.S. production, and levels met by competitors. The Administrator must also follow required rule-making procedures and phase in the requirements. Subsequent revision of cleanliness limits must be conducted consistent with the schedule of the Administrator for reviewing grain standards. If such limits are set, they must be fully implemented within 5 years. (Section 1822)

The House amendment amends section 4(b) of the USGSA. It requires the FGIS Administrator to study costs benefits to the U.S. grain industry, from producer to end user, of marketing cleaner grain. The study must identify—(1) the need to establish new or revised current factors relating to grain cleanliness; and (2) appropriate limits for cleanliness factors taking into consideration the technical ability and practicability of the commercial market to comply with such limits, the economic benefits and costs to the grain industry, and domestic and international demand.

If the Administrator determines that establishing new or revised current factors relating to cleanliness would be in the best economic interest of United States agriculture, the Administrator must establish or amend the standards to include economically and commercially practical levels of cleanliness for the grain. The Administrator must make a determination under this clause no later than 2 years air enactment of this paragraph.

In setting requirements for cleanliness characteristics under section 4(b) of the USGSA, the limits must be fully implemented not later than 3 years after the determination is made regarding cleanliness factors. Subsequent revision of cleanliness limits must be conducted consistent with the schedule of the Administrator for reviewing grain standards. (Section 1804)

The Conference substitute adopts the Senate provision with modifications. The substitute provides that this provision shall apply to wheat, corn, soybeans, barley and sorghum. Further, the provision requires that the Administrator make a finding, but does not specify a date. The limits described in this provision, if set, must be fully implemented within 6 years of enactment. The managers note that FGIS has a Cooperative Agreement with the Economic Research Service regarding the costs and benefits of cleaning grain. The managers request that the results of that investigation be shared with the respective Committees as such studies are completed.

(6) Cargo Loading Requirements

The Senate bill amends section 7 of the USGSA, and directs that except as otherwise authorized by the Administrator, or except on the request of a purchaser, grain officially inspected and weighed for export shall be loaded aboard the final carrier according to a plan that favors neither the seller or buyer. (Section 1823)

The House amendment is the same, except that such grain must be loaded according to a plan that provides for certification of quality as accurately as practical. (Section 1807)

The Conference substitute drops both provisions. These provisions were motivated by two concerns; first, recipients of sublots from a cargo sometimes receive grain that falls below contract specifications because the cargo lacks uniformity; and second, there was a finding by the FGIS that the loading plan in current use had a statistical bias favoring the seller. The managers note that the FGIS published a final rule in the Federal Register on June 13, 1990, to revise the shiplot inspection plan (Cu-Sum Plan). Specific changes to the inspection plan included: (1) establishing new breakpoints; (2) limiting review inspections of material portions to one filed review; (3) requiring that review inspection results of material portions be averaged with prior results unless a material error is detected; (4) defining a material error as a difference of more than two standard deviations; (5) designating a material portion as the single sublot exceeding the breakpoint value; (6) including wheat protein under the shiplot inspection plan for shipments specifying a minimum or maximum amount of protein; (7) requiring a special certification statement when the protein range of a lot exceeds 1.0 percentage point; and (8) offering, upon request, an optional inspection service whereby component samples are analyzed. These changes were implemented on September 11, 1990. On the basis of this newly implemented loading plan, and its purported fairness, conferees agree to forgo inclusion of a cargo loading provision in this legislation. It is the full intent of Congress that the inspection plan for export grain be equally fair to both the buyer and seller. Congress expects the FGIS to periodically evaluate its inspection plan against statistical standards and actual cargo conditions to insure that the buyer and seller are being treated fairly.

(7) Grade Determining Factors Related to Physical Soundness and Purity

The Senate bill amends section 4 of the USGSA by adding a new subsection (c) which requires the Administrator, in establishing standards under section 4(a) of the USGSA, to establish official grade determining factors and factor limits that reflect the levels of soundness and purity that are consistent with intermediate and end-use performance goals of the major foreign and domestic users of each grain for which official grades are established.

The soundness and purity levels established for grades No. 3 and better must facilitate the general utilization of these grades for acquiring grain that meets the general expectations of performance with minimal need for additional specification.

The Administrator is required to evaluate existing grade determining factors and factor limits to determine a nature and level of adverse soundness and purity conditions of grain that unacceptably limit the performance of grades No. 3 and better grain for normal intended uses. Prior to implementing changes in such factors and limits, the Administrator must follow established rule-making procedures. (Section 1824)

The House amendment amends section 4 of the USGSA by adding a new subsection (c) which requires the Administrator, in establishing standards under section 4(a) of the USGSA, to establish for each grain, official grade determining factors and factor limits that reflect the levels of soundness and purity that are consistent with intermediate and end-use performance goals of the major foreign and domestic users of each grain for which official grades are established.

The soundness and purity levels established for grades No. 3 and better must provide users of such standards the best possible information from which to determine end-use product quality.

The Administrator is required to establish factor limits that will provide that grain meeting the requirements for grades No. 3 and better will perform in accordance with general trade expectations for the predominant uses of such grain. (Section 1805)

The Conference substitute adopts the House provision with a modification to require the Secretary implement rule-making procedures in carrying out this section.

(8) Prohibition of Contamination

The Senate bill authorizes FGIS discretion to prohibit contamination of sound and pure grain through the introduction of nongrain substances, toxic grain exceeding established tolerances, or unmerchantable grain (to the extent that its combination with grades 3 or better will preclude the resultant combination from meeting performance levels expected of the grades, if FGIS determines that the action is practical and necessary to provide that such grains are safe and meet performance levels required by 4(c)(1) of USGSA). Does not prohibit the marketings of any grain so long as the grade or condition is properly identified.

No prohibition can be imposed against blending an entire grade of grain. Prior to taking action under this subsection, the Administrator must follow established rule-making procedures, including the solicitation of public comment, in identifying and defining actions and conditions subject to prohibition. (Section 1825)

The House amendment amends section 13 of the USGSA by adding a new subsection (e) authorizing FGIS to prohibit the contamination of sound and pure grain through the introduction of (1) nongrain substances; and (2) grain that is unfit for the ordinary commercial purposes for which such grain is intended to be used (to the extend that its combination with grades No. 3 or better will preclude the resultant combination from meeting the performance levels expected of such grades and as is required by section 4(c)(1) of the USGSA). Provisions dealing with rulemaking, prohibition of blending and entire grade and marketing properly identified grain are similar to the Senate bill. (Section 1808)

The Conference substitute adopts the House provision, with amendments. The substitute authorizes prohibition of blending the following: (A) non-grain substances, (B) grain unfit for ordinary commercial purposes, or (C) grain that exceeds Food and Drug Administration action limits or Environmental Protection Agency tolerance levels. The amendments adopt the Senate language on prohibition of blending an entire grade of grain, rule making and marketing properly identified grain. The substitute requires that any prohibitions pursuant to (e)(1)(C) be reported to other appropriate public health agencies.

(9) Sense of Congress Concerning Tests For Purity

The Senate bill encourages FGIS to develop tests for mycotoxins and pesticide residues and incorporate these tests into the grain inspection system. (Section 1826)

The House amendment is the same. (Section 1809)

The Conference substitute adopts the Senate provision.

(10) Sense of Congress Concerning Cooperative Enforcement of Federal Grain Requirements

The Senate bill encourages Food Drug Administration and the Environmental Protection Agency to seek assistance from and cooperate with FGIS in enforcing quality, purity, and safety laws and regulations that apply to grain. (Section 1827)

The House amendment is the same. (Section 1810)

The Conference substitute adopts the House provision.

(11) Aflatoxin Testing

The Senate bill amends section 5 of the USGSA by prohibiting the export of Urn from the United States unless it has been officially tested for aflatoxin or unless FGIS waives testing for emergency or other circumstances that would not impair the objectives of USGSA. (Section 1828)

The House amendment amends section 5 of the USGSA by authorizing and directing FGIS to require that all corn exported from the United States be tested to ascertain whether it exceeds acceptable levels of aflatoxin contamination. The House provision also requires the Secretary to establish uniform standards for testing equipment and uniform testing procedures and sampling techniques that may be used by processor, refiners, the operators of grain elevators and terminals, and others to accurately detect the level of aflatoxin contamination of corn in the United States. (Section 1806)

The Conference substitute adopts the House provision with an amendment allowing an exemption if the buyer and seller of the grain agree to waive the test. The managers concluded that a buyer and seller may agree not to have corn tested for aflatoxin. However, if a buyer and seller desire an official USDA test and certification for aflatoxin, such test must be conducted by USDA. This does not preclude buyer and seller from utilizing private (unofficial) testing laboratories in lieu of USDA official testing.

(12) Entry Quality Standards for All Farmer-Owned Reserve Grains

The Senate bill amends section 110 of the Agricultural Act of 1949 by adding a new subsection requiring that in announcing the terms and conditions of the producer storage program under that Act, the Secretary must establish standards concerning the quality of grain that may be allowed to be stored under the program, and such standards should encourage only quality grain to be pledged as collateral for such loans. Additionally, the Secretary must establish inspection, maintenance, and stock rotation requirements as are necessary to maintain the quality of such grain. (Section 1832)

The House amendment also amends section 110 of the Agricultural Act of 1949 by adding a new subsection requiring that in announcing the terms and conditions of the producer storage program under that Act, the Secretary must review standards concerning the quality of grain that may be allowed to be stored under the program, and such standards should encourage only quality grain to be pledged as collateral for such loans. Additionally, the Secretary must review inspection, maintenance, and stock rotation requirements and take the necessary steps to maintain the quality of such grain. (Section 1811)

The Conference substitute adopts the House provision.

(13) Price Support Loan Incentives For Quality Grain

The Senate bill amends section 403 of the Agricultural Act of 1949, adding a provision requiring the Secretary to establish premiums and discounts relating to cleanliness factors, in addition to any other adjustments in the support price related to quality, for crops of wheat, feed grains, soybeans beginning with 1991 crops. (Section 1832)

The House amendment is the same as the Senate provision. (Section 1812)

The Conference substitute adopts the Senate provision.

(14) Quality Requirements for Commodity Credit Corporation-Owned Grain

The Senate bill amends the Agricultural Act of 1949 by adding a new section 407A. Section 407A requires that the Secretary establish minimum quality standards that apply to grain stored for CCC. In establishing such standards, the Secretary must consider factors related to the ability of grain to withstand storage and assurance of acceptable end-use performance. Also requires the Commodity Credit Corporation to utilize FGIS approved procedures to inspect and evaluate the condition of the grain it acquires. (Section 1833)

The House amendment is the same as the Senate provision, but adds that in no case may the new section 407A require the use of an official inspection unless the producer so requests. (Section 1813)

The Conference substitute adopts the House provision. The managers note that there have been reports of elevator operators misrepresenting the quality of grain delivered to the CCC. It is the intention of the managers that the CCC should utilize this provision, and other authorities, to preclude the misrepresentation and potential for fraud in the resale of government owned grain.

(15) Establishing Quality as a Goal for Commodity Credit Corporation Programs

The Senate bill amends the Commodity Credit Corporation Charter Act to require that CCC activities, when practical, promote quality in the production and marketing of crops and livestock in the U.S. (Section 1834)

The House amendment is the same as the Senate provision, except that it does not amend the CCC Charter Act. (Section 1814)

The Conference substitute adopts the House provision.

(16) Seed Variety Information

The Senate bill requires that grain submitted for public testing must be evaluated for selected specific agronomic performance characteristics and intrinsic end-use performance characteristics, as determined by the Secretary, with the results of the evaluations made available to the Agricultural Research Service. Also requires the Extension Service to disseminate varietal performance information to plant breeders, producers, and end users. (Section 1841)

The House amendment is the same as the Senate provision, except the results of the evaluations are to be made available to the Secretary and the Secretary is responsible for the dissemination of varietal performance information to plant breeders, producers, and end users. (Section 1815)

The Conference substitute adopts the House provision. The Managers note that the Agricultural Research Service is one of the largest repositories of information on the subject within the Department and that the Extension service has a long record of providing information, including varietal performance information to plant breeders, producers and end users.

(17) Survey of Grain Varieties

The Senate bill requires that the National Agricultural Statistics Service periodically conduct, compile and publish a survey of grain varieties produced in the U.S. (Section 1842)

The House amendment is the same as the Senate provision, except that the Secretary is required to carry out the provisions of the section. (Section 1816)

The Conference substitute adopts the House provision. The Managers note that the National Agricultural Statistics Service has a long history of conducting and carrying out surveys of this type.

(18) Analysis of Variety Survey Data

The Senate bill requires the Agricultural Research Service to analyze the variety surveys conducted in conjunction with available applied research information on intrinsic quality attributes of the varieties, to evaluate general intrinsic crop quality characteristics and trends in production related to intrinsic quality characteristics. (Section 1843)

The House amendment is the same as the Senate provision, except that the analysis and evaluations are to be performed by the Secretary and the Secretary must disseminate such information to breeders, producers and end users. (Section 1817)

The Conference substitute adopts the House provision. The Managers note that the Agricultural Research Service has expertise in the area of intrinsic quality characteristics.

(19) Sense of Congress Concerning End-use Performance Research

The Senate bill encourages the Secretary, the Agricultural Research Service, and bill land-grant universities, to adjust their financial priorities to give increased emphasis to grain variety evaluation and the development of objective tests for end-use properties. (Section 1844)

The House amendment is the same as the Senate provision. (Section 1818)

The Conference substitute adopts the Senate provision.

(20) Sense of Congress Concerning Cooperation on Objective Testing

The Senate provision encourages cooperative efforts, including the sharing of funds and personnel, between the FGIS, the Agricultural Research Service, and land-grant universities in identifying grain quality-related characteristics, developing tests, and designing grain standards; also specifically encourages FGIS to utilize the research capabilities of the ARS and the land-grant universities in such efforts. (Section 1845)

The House amendment is the same as the Senate provision. (Section 1819)

The Conference substitute adopts the Senate provision.

(21) Authority to Assist Farmers and Elevator Operators

The Senate bill authorizes the Secretary to provide technical assistance (including information on such financial assistance as may be available) to grain producers and elevator operators to assist such producers and operators in installing or improving grain cleaning, drying or storage equipment. (Section 1851)

The House amendment is the same as the Senate provision. (Section 1820)

The Conference substitute adopts the Senate provision.

(22) Standardizing Commercial Inspections.

The Senate bill requires that the Secretary establish a list of approved grain testing equipment and develop inspection procedures. FGIS shall implement a voluntary inspection certification program for country elevators and others conducting first point of delivery inspection. (Section 1852)

The House amendment is the same as the Senate provision, except that FGIS must additionally provide information on proper use of equipment, application of grain standards, and availability of inspection services, including appeal inspection services. The House provision also does not contain the certification program described in the Senate bill. (Section 1821)

The Conference substitute adopts the House provision.

TITLE XXI—ORGANIC CERTIFICATION

(1) Findings and Purposes

The Senate bill lists several findings of Congress, including a statement that there is a need for a national program to standardize and promote the production of food through organic farming methods.

The Senate bill states that the purpose of this Act is to:

(1) establish national standards governing the labeling of organically produced products;

(2) provide consumers with reliable information concerning which products are organically produced;

(3) assure consumers that products labeled organically produced are not produced with or handled with substances that cause adverse health or environmental effects;

(4) encourage environmental stewardship through the increased adoption of organic, sustainable farming methods;

(5) assist emerging and important food industry sectors that produce, process, and market organically produced products;

(6) provide market incentives to encourage the use of organic, sustainable farming methods;

(7) preserve the integrity of organic food programs that have been implemented by States and encourage other States to adopt organic food programs; and

(8) facilitate interstate commerce in fresh and processed food that is organically produced. (Section 1602)

The House amendment does not contain findings. The House amendment states that the purpose of this Act is to:

(1) establish national standards governing the labeling of organically produced products;

(2) assure consumers that organically produced products meet a consistent standard; and

(3) facilitate interstate commerce in fresh and processed food that is organically produced. (Section 1495A)

The Conference substitute adopts the House provision.

(2) Definitions

The Senate bill sets forth definitions for the following terms: agricultural products, botanical pesticides, certifying agents, certified organic farms and handling operations, crop year, governing State official, growing medium, handle, handler, handling operation, individual, micronutrients, National List, organic farm plan, organically produced, organically produced label, pesticide, processing, producer, program, State organic certification program, synthetic, and transition farm. (Section 1603)

The House amendment contains identical definitions for the following terms: agricultural products; botanical pesticide; certifying agent; certified organic farm; certifying organic handling operation; crop year; governing state official; handle; individual; national list; organically produced; pesticide; processing; producer; secretary; and synthetic. The House amendment does not contain definitions for growing medium; handler; handling operation; micronutrients; organic plan; organically produced label; program; state organic certification program; and transition farm. (Section 1495B)

The Conference substitute adopts the Senate provision with an amendment deleting definitions for growing medium, organically produced label, and transition farm.

(3) Establishment of Label

The Senate bill requires the Secretary to establish a USDA label stating that an agricultural product has been "organically produced" to be affixed on products produced according to the standards in this title. A second label may be authorized that indicates the State origin of the product and the certifying body of such product.

The Senate bill provides that as of September 1, 1992, no labels will be allowed which state or imply that a product has been organically produced other than the USDA organically produced label and any authorized State label, except:

(1) Secretary may permit the word "organic" to be used on the principal display panel for food if that food, excluding water and salt, contains at least 50 percent organically-produced ingredients. The Secretary may also allow the word "organic" to be used on the ingredient panel for food if that food, excluding water and salt, contains less than 50 percent organically produced ingredients. "Organic" may be used only to describe ingredients that are organically produced and no USDA label is authorized to be used in these instances.

(2) Farmers who sell less than $5,000 of agricultural products may represent their product as organic without certification but no USDA label is authorized to be used in this instance.

(3) The Secretary may determine that imported organic food may be sold within the U.S. if such food has been produced following guidelines at least equivalent to U.S. requirements, but no USDA label is authorized to be used in these instances. (Section 1612)

The House amendment contains a similar provision however no USDA label is established. The House amendment provides that as of October 1, 1993, no state or private labels or market information will be allowed which state or imply that a product has been organically produced unless all standards in this title are met. The same three exemptions provided for in the Senate bill are included. (Section 1495D)

The Conference substitute adopts the House provision. The Managers encourage the Secretary to determine a procedure to implement the label flexibility provided for processed food in this section by October 1, 1993 in order to allow for continued trade of such products.

(4) Mandatory Program Requirements

The Senate bill requires that any organic program must require all labeled products to be produced in accordance with this title, and provide for periodic on-site inspections and residue testing. An organic program must also provide certain specified appeal, enforcement, conflict-of-interest, and freedom-of-information procedures. (Section 1613)

The House amendment contains a similar provision, with the addition of two requirements: notification of appropriate health agencies of any residue violation and collection of reasonable fees. (Section 1495E)

The Conference substitute adopts the House provision with an amendment modifying language concerning notification of health officials in the case of residue detections.

(5) Discretionary Program Requirements

The Senate bill provides that any organic program may provide for the assessment of fees for participants, additional State requirements, the possibility of certifying parts of a farm or handling operation, and an exemption for farms subject to a government emergency pest or disease treatment program. (Section 1613)

The House amendment contains a similar provision, excluding the assessment of fees and with the additional requirement that the Secretary consult with the National Organic Standards Board regarding emergency pest or disease treatments. (Section 1495E)

The Conference substitute adopts the House provision.

(6) Prohibited Crop Production Practices and Materials

The Senate bill provides that prohibited practices include use of the following: certain seed, seedlings and planting practices; irrigation water unless it has been analyzed and approved by the certifying agent; certain soil amendments; certain crop management practices; natural poisons that have long-term effects and persist in the environment; and plastic mulches, unless they are removed at the end of each season. (Section 1615)

The House amendment contains a similar provision with three differences. The prohibitions on the use of irrigation water, contaminated organic matter, and micronutrients at toxic levels are not included. (Section 1495H)

The Conference substitute adopts the House provision.

(7) Animal Production Practices and Materials

The Senate bill contains a requirement that livestock be fed organically grown feed. Prohibited practices for livestock production include use of the following: certain feed additives including plastic pellets for roughage, and feed formulas containing urea and medicated feeds; growth promoters and hormones; synthetic internal parasiticides on a routine basis; administration of medication other than vaccinations; and use of impure drinking water. Recordkeeping procedures are stipulated. Drinking water may be analyzed to determine whether it is impure and so contaminated as to cause contamination of livestock products.

The Senate bill requires that livestock be raised according to the standards set forth in this section for certain periods of time: from the second day of life for poultry; for four months prior to sale of eggs for laying hens; at least one year for dairy; and for the entire life for all other slaughter livestock.

The Senate bill further provides that the Secretary may accept certification, by certifying agents, at the point of slaughter as proof that the meat and poultry have been raised in accordance with this title. (Section 1616)

The House amendment contains a similar provision with four differences: (1) there is no explicit prohibition on the use of medicated feed; (2) no required analysis of drinking water; (3) no four month provision for laying hens; and (4) no provision to allow the Secretary to accept the certification at the point of slaughter. (Section 1495I)

The Conference substitute adopts the House provision with an amendment which requires the Secretary to hold hearings and develop regulations regarding livestock standards in addition to those specified in this title. The Managers clearly do not intend for the Secretary to engage in formal rulemaking. Rather the Managers recognize the need to further elaborate on the standards set forth in the title and expect that by holding public discussions with interested parties and with the National Organic Standards Board, the Secretary will determine the necessary standards no later than the implementation date of October 1, 1993.

The Managers believe that the establishment of an organic labeling program will benefit those producers of agricultural commodities and products that choose to produce and market products that are organically produced. The creation of a uniform standard as to the meaning of "organically produced" protects the consumer from misleading information and enables these producers to cultivate a market for their particular products.

By enacting this program, the Managers are not asserting any preference as to any particular type of agricultural product. The "organic" label is not intended to imply any special health benefits or innate qualities of an agricultural commodity or product. For example, this program establishes standards for the organic production of meat and poultry products. Such products, if organically produced, are not necessarily more safe than ordinary meat and poultry products.

The "organic" label, or the establishment of this organic program is also not intended to indicate any opinion about traditional agricultural production. The "organic" label does not guarantee more healthy food than that produced using conventional systems.

The Managers direct the Secretary of Agriculture to develop detailed regulations, with notice and public comment, to guide the implementation of the standards for livestock products provided under this Title. Such regulations should be finalized by October, 1993—the implementation date for this Title.

The Managers note that the Senate bill included a paragraph stating that the Secretary, in carrying out the provision of this title, the Federal Egg Products Inspection Act, the Meat Inspection Act, the Poultry Products Inspection Act or any other Act concerning the misbranding of meat and poultry products, may accept a certification provided by a certifying agent at the point of slaughter as proof that the meat and poultry were produced in accordance with this title. The Secretary has indicated that this paragraph is unnecessary as he already has the discretion to accept certification at the point of slaughter and intends to implement the organic program in this manner so as avoid the costly requirement of sending USDA inspectors to every organic farming operation in order to verify claims.

(8) Recordkeeping

The Senate bill requires all organic producers and handlers to keep records, including a detailed history of substances used, for at least 5 years. (Section 1618)

The House amendment includes the same provision with the additional requirement that handlers keep records of the sources, handling, and disposition of all ingredients or production aids used. (Section 1495L)

The Conference substitute adopts the Senate provision.

(9) Contents of National List

The Senate bill provides that the National List may include prohibitions on natural substances which otherwise would be allowed under this title but which the National Organic Standards Board and the Secretary determine to be harmful to human health or the environment and inconsistent with organic farming.

The Senate bill provides further that the National List may include exemptions for substances otherwise prohibited but which the National Organic Standards Board and the Secretary determine are harmless to human health and the environment, are necessary because of the unavailability of wholly natural substitute products, and are determined to be consistent with organic farming practices. Such exemptions, however, must meet one of the following three criteria: (1) the substance is used in production and contains a synthetic active ingredient in the following categories: copper and sulfur compounds; toxins derived from bacteria; pheremones; detergents; horticultural oils; treated seed; fish emulsions; vitamins and minerals; livestock parasiticides and medicines; and production aids including netting, tree wraps and seals, insect traps, sticky barriers, row covers, and equipment cleansers; (2) the substance contains synthetic inert ingredients; or (3) the substance is used in processing and is non-synthetic but not organically produced. (Section 1625)

The House amendment contains a similar provision with three differences: (1) there is no allowance for production aids on the National List; (2) there is no allowance for products with synthetic inert ingredients on the National List; and (3) the Secretary is required to consult with the Secretary of Health and Human Services and the Administrator of EPA regarding the contents of the National List. (Section 1495Q)

The Conference substitute adopts the House provision with an amendment that adds production aids to the category of synthetic active ingredients and the category of synthetic inert ingredients not of toxicological concern to the Administrator of EPA as possible exemptions on the National List. The Managers note that in the future it may be necessary to further develop a list of categories for processed food exemptions and therefore encourage the Secretary, working with the National Organic Standards Board, to recommend such a list to the Congress as soon as practicable in order to facilitate implementation of the national standards by October 1, 1993.

(10) Development of National List

The Senate bill requires the Secretary to establish a National List based upon a Proposed National List developed by the National Organic Standards Board. The Secretary may not include exemptions for synthetic substances other than those recommended by the National Organic Standards Board. The Proposed National List must be published in the Federal Register for public comment. (Section 1625)

The House amendment contains the same provision, with an additional requirement that no substance be listed which has been prohibited by Federal regulatory action. (Section 1495Q)

The Conference substitute adopts the House provision.

(11) National Organic Standards Board

The Senate bill requires the Secretary to appoint a 13-member National Organic Standards Board to assist in the development of standards and to specifically form a proposed National List. The membership of Board as well as Board procedures are designated. The members of the Board are not compensated. The Board is required to hire a staff director and the Secretary may detail USDA staff to work with the Board. (Section 1626)

The House amendment contains the same provision, adding two more members—a certifying agent and a scientist—to bring the total to 15 on the Board. (Section 1495R)

The Conference substitute adopts the House provision.

(12) Procedures for Board's Recommendations for National List

The Senate bill directs the Board to conduct a thorough evaluation of substances that may be included on the National List. Specific steps are set out. Among other things the Board shall: use Technical Advisory Panels to assist the Board to in making determinations on substances to be included on the National List; review substances on the National List every 5 years; review all botanical pesticides for possible inclusion on the National List; advise the Secretary and the EPA Administrator on whether to establish a registration program for organic production materials; and advise the Secretary concerning residue testing for organic products. (Section 1626)

The House amendment contains a similar provision, with the Board given the additional responsibility to advise the Secretary on emergency pest and disease treatments and there is no responsibility to advise on the development of a registration program. (Section 1495R)

The Conference substitute adopts the House provision.

(13) Violations of Organic Program

The Senate bill contains the following penalties for violations: for misusing or tampering with the organically produced label—up to $50,000 and 2 years imprisonment; and for issuing false certifications—program ineligibility for 5 years. Producers and certifying agents must be provided notice and an opportunity to be heard. (Section 1627)

The House amendment contains a similar provision, but with a reduction in penalty for misusing an organic labels to a civil penalty of $10,000. The House amendment provides that nothing in this title shall alter the authority of the Secretary of Agriculture under the Poultry Products Inspection Act, the Administrator of the EPA under the Federal Insecticide, Fungicide, and Rodenticide Act or the Secretary of Health and Human Services under the Federal Food, Drug, and Cosmetic Act. (Section 1495S)

The Conference substitute adopts the House provision.

(14) National Organic Promotion Advisory Committee

The Senate bill directs the Secretary to establish an advisory committee to acquire information and advice from representatives of organic farming and handling sector concerning: the establishment of legislation creating an organic promotion, research, and consumer education program; the development of an initial referendum and structure for such program; an organic research program; and any other aspect of organic production, research education, or promotion of concern to the Secretary.

The Advisory Committee shall have 15 members (including a chairperson) appointed from nominations received from organic certifying organizations, States, and other interested parties. Membership is specifically set out. The Committee is sunsetted in three years. (Section 1641)

The House amendment contains no comparable provision.

The Conference substitute adopts the House provision, thereby deleting the National Organic Promotion Advisory Committee.

(15) Duties of Organic Advisory Committee

The Senate bill requires the Advisory Committee to provide recommendations concerning: the establishment of an orderly procedure for the development and financing of a program of research, promotion, and consumer information concerning organically produced agricultural products; the establishment of a democratic process under which organic farmers and handlers may determine whether to have a national organic promotion program after 1992; ways to maintain, develop, and expand markets for the organic industry; and research and extension programs on agricultural production systems and materials used or potentially to be used in organic production. Reports are required to be submitted to the Secretary and House and Senate agriculture committees. (Section 1641)

The House amendment contains no comparable provision.

The Conference substitute adopts the House provision, thereby deleting this section.

Administration

Both the Senate bill and the House amendment required the Secretary to issue regulations not later than 180 days after the date of enactment of this title.

The Conference substitute amends this requirement substituting 540 days after the date of enactment of this title.

(16) Appropriations

The Senate bill authorizes such sums as may be necessary. (Section 1642)

The House amendment contains no comparable provision.

The Conference substitute adopts the House provision, thereby deleting authorization for appropriations.

(17) National Transition Label Demonstration Program

The Senate bill requires the Secretary to establish a National Transition Label Demonstration Program to help evaluate the impact a transition label would have on consumer purchasing decisions and organic markets and to assess whether the availability of a transition label would motivate farmers to adopt more sustainable agricultural practices. (Section 1651)

The House amendment contains no comparable provision.

The Conference substitute adopts the House provision, thereby deleting the transition label demonstration program.

(18) Administration of Transition Label Program

The Senate bill Secretary shall make a grant from funds to at least 4 States that: have implemented a State organic certification program under chapter I; can designate a limited marketing area where a transition label could be used and controlled; and submits a competitive proposal. States that receive these grants must: design a demonstration project that meets the specifications of the Secretary; select a number of farming operations to participate in the Program as transition farms; authorize the sale of the products of the selected farms in retail establishments in such State; and submit a final report. (Section 1652)

The House amendment contains no comparable provision.

The Conference substitute adopts the House provision, thereby deleting this section.

(19) Establishment of Transition Label

The Senate bill requires the Secretary to establish an experimental USDA label to be affixed to agricultural products that have been produced on selected transition farms that states that the agricultural product has been produced in "transition to organic". (Section 1653)

The House amendment contains no comparable provision.

The Conference substitute adopts the House provision, thereby deleting this section.

(20) Reports on Transition Label Program

The Senate bill requires that, within 2 years after the date of enactment of this title, the chief executive officer of a State shall submit a final report detailing the results of the Program to the Secretary and the House and Senate agriculture committees. (Section 1654)

The House amendment contains no comparable provision.

The Conference substitute adopts the House provision, thereby deleting this section.

(21) Appropriations for Transition Label Program

The Senate bill authorizes such funds as may be necessary to carry out the transition label program. (Section 1655)

The House amendment contains no comparable provision.

The Conference substitute adopts the House provision, thereby deleting this section.

(22) Organic Production Research

The Senate bill requires the Secretary to establish a research program related to the production and marketing of organic products. Grants may be provided to facilitate such research. The Secretary shall provide for research to, among other things, study the toxicity levels of toxic synthetic and natural substances used in organic production, measure levels of background contamination of toxic substances, develop economical residue testing procedures, develop efficacious protocols and materials for handling organically produced products, and improve the technology of organic livestock production. The Secretary is required to consult with the National Organic and Standards Board and the National Organic Promotion Advisory Committee established under Chapter II concerning specific research topics that are necessary. Such sums as may be necessary to carry out this program are authorized. (Section 1661)

The House amendment contains no comparable provision.

The Conference substitute adopts the House provision, thereby deleting the organic production research program.

TITLE XXII—CROP INSURANCE AND DISASTER ASSISTANCE

Subtitle A—Crop Insurance

The Managers intend that the crop insurance provisions in this Act do not represent an answer to the problems facing Federal crop insurance. A more fundamental restructuring of the existing program is needed to prevent the continued financial losses, low participation rates, and other inefficiencies that have plagued this program and required the enactment of repeated ad hoc disaster bills during the 1980s. Congress must address this problem soon, and the House and Senate Committees on Agriculture intend to revisit this issue in the 102nd Congress.

The amendments contained in this Title are intended as interim management improvements until more fundamental changes are implemented.

(1) Short Title

The Senate bill designates this title as the "Federal Crop Insurance Adjustment Act of 1990." (Sec. 2201)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(2) Findings

The Senate bill lists several findings of Congress, including that a sound system of crop insurance improves the economic stability of American agriculture; that ad hoc disaster assistance has adversely affected the existing Federal crop insurance system; that the existing system does not provide an actuarially sound or adequate coverage program; and that reform of the system should not lead to increased Federal outlays. (Sec. 2202)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

(3) Improvement of Operations

The Senate bill authorizes the Federal Crop Insurance Corporation (FCIC) to obtain from policyholders and reinsured companies their respective social security number or applicable employer identification number for the purpose of establishing appropriate records systems. Program participants who willfully and intentionally provide false or inaccurate information are made subject to civil fines not to exceed $10,000 and disqualification from the program for up to 10 years. (Sec. 2203)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment clarifying the conditions of confidential treatment that will apply to social security numbers collected by FCIC under this provision. The Managers intend that the penalties will apply not only to farmers who obtain insurance under this program but also to insurers obtaining reinsurance or other benefits from FCIC, agents, and to other persons.

(4) Actuarial Soundness and Congressional Reports

The Senate bill requires the FCIC Board to review new types of policies, including dollar-denominated coverage and the use of ASCS yields, and applicable premium rates. The Board must approve these policies if it finds that they adequately protect producers and that rates are actuarially appropriate. Certain approved policies and rates must be published and made available to all companies contracting with or reinsured by the FCIC. Within 120 days of enactment, the FCIC must report to Congress on the rates and coverage necessary, on a State and crop basis, to achieve actuarial soundness. The FCIC shall adjust rates and coverage to improve actuarial soundness of the program, except that increases in rates may not exceed 20 percent of the preceding crop year's comparable rate. (Sec. 2204)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment which requires that new contracts under this section may be developed by FCIC or private companies, must be approved by FCIC and published and made available to all companies contracting with or reinsured by FCIC before being offered for sale, authorizes FCIC to enter into more than one reinsurance agreement simultaneously under different terms and conditions to facilitate the offering of new policies, authorizes such new policies based on area coverage, and eliminates the required report in favor of requiring the FCIC to compile information regarding actuarially sound rates by region and crop and to make such information available to Congress and the public within 180 days. The Managers intend that "region" refers to crop reporting district. The Managers also intend that "actuarial soundness" has the same meaning as in section 508(b)(1) of the Federal Crop Insurance Act, that is, a premium adequate "to cover claims for losses on such insurance and to establish as expeditiously as possible a reasonable reserve against unforeseen losses."

(5) Reinsurance Agreement

The Senate bill requires reinsured companies to bear an increased share of any potential loss under the reinsurance agreement between the FCIC and such companies. The FCIC shall report to Congress within 120 days on the amount of increased potential losses assumed by the reinsured companies under revisions to such reinsurance agreements. (Sec. 2205)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment eliminating the required report. The Managers intend that the Secretary of Agriculture, within 180 days of the enactment of this section, will submit a letter to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House on the steps taken to implement this section and will continue to keep both Committees so informed on a continuing basis.

(6) Uniform Claims Adjustment

The Senate bill amends section 508 of the Federal Crop Insurance Act to require that FCIC adopt rules to ensure to the extent practicable that all claims for losses are adjusted in a uniform and timely manner. (Sec. 2206)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(7) Availability of Crop Insurance Information

The Senate bill requires the Secretary to distribute information on all aspects of Federal crop insurance and a listing of agents to producers through the local ASCS offices and to educate ASCS directors concerning such information. (Sec. 2207)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(8) ASCS Yields, Dollar-Denominated Coverage, and Expanded Availability

The Senate bill authorizes coverage on the basis of the commodity yields established by the ASCS rather than the recorded or appraised yield, where the ASCS yield is higher. The Board may set additional premiums to reflect the increased risk involved.

The FCIC is required to establish an additional price level for each commodity on which insurance is offered. This price level shall not be less than the projected market price, as determined by the Board. Coverage shall be made available on the basis of any price election which equals or is less than that established by the Board. Coverage will be quoted in terms of dollars per acre.

Where there is a crop insurance policy for a commodity in any county in a State, such insurance shall be made available to producers in all counties of the State, except that the Corporation may limit or refuse insurance to any county, area, or farm on the basis of different insurance risks involved in the production of the commodity. (Sec. 2208)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment clarifying that additional coverages based on ASCS yields will be based on adjusted ASCS yields and that any additional premium charged for such coverage will be paid solely by the insured person with no administrative or premium subsidy from FCIC, and to clarify that all coverages will be dollar-denominated.

The Conference substitute deletes the Senate provision providing for statewide availability of certain crop insurance policies available in a county in such state.

(9) Contracting with Private Companies

The Senate bill provides the FCIC with additional authority for contracting with private rating bureaus and other organizations for actuarial, loss adjustment, and other services to avoid duplication by the government. (Sec. 2209)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment stating that the provision shall not relieve the FCIC board of any of its responsibilities with respect to rate-setting or other matters.

(10) Study

The Senate bill directs the FCIC to study the feasibility of providing multiple peril crop insurance policies with commodity prices based on trading futures contracts, forward contracts, costs of production, or other market prices, and to report to Congress within 1 year. (Sec. 2210)

The House amendment contains no comparable amendment.

The Conference substitute deletes the Senate provision.

(11) Sense of Congress Concerning Crop Insurance

The Senate bill states as the sense of Congress that a sound crop insurance system promotes the national welfare and efforts shall be made to obviate the termination of contracts and reinsured crop insurance contracts. The Senate bill also states as the sense of Congress that the Corporation should make multiple peril crop insurance programs available in fiscal years 1991 through 1993. The Corporation should issue or renew policies to qualified producers and honor all valid commitments to crop insurance companies under reinsurance and multiple peril crop insurance programs. The Commodity Credit Corporation should make available such funds as are necessary to the Corporation for this program, provided that the Corporation repay the funds, with interest, to the Commodity Credit Corporation as soon as practicable. (Sec. 2211, 2212)

The House amendment states as the sense of Congress that a sound system of crop insurance will promote the national welfare by improving the economic stability of American agriculture and provide reasonable protection against natural disasters; that cancellation of the current crop insurance program would create unequal treatment among farmers; that improvements aimed at increasing participation and effectiveness of the Crop Insurance Program are being devised, therefore, funding should be continued. (Sec. 1858)

The Conference substitute deletes both the Senate and the House provisions.

Subtitle B—Disaster Assistance

(1) Disaster Assistance; Appropriations

The House amendment amends the Disaster Assistance Act of 1989 by adding a new section 104(a)(5). For 1989 nonprogram crops that have historically been double cropped, the Secretary must treat each cropping separately for purposes of determining harvest yield and whether the crop was damaged by weather under paragraph 104(a)(1) of the 1989 Act. It applies only for such crops grown in a county declared to be a Presidential disaster area for that crop and does not apply in the case of a replacement crop described in section 110 of the 1989 Act.

Section 1848(b) amends section 104(a)(4) of the 1989 Act to provide a 100 percent exclusion for 1989 nonprogram crops grown in a county declared to be a Presidential disaster area for that crop.

Section 1848(c) amends section 104 of the 1989 Act. It extends disaster payments to crops of valencia oranges affected by a freeze in 1989.

Section 1848(d) amends section 152(a) of the 1989 Act by adding a new paragraph (3). It extends to December 31, 1990 the application period for producers of a nonprogram crop affected by amendments made to section 104(a) by section 1848 of the this Act. For applications submitted before enactment, the Secretary must recompute (not later than 90 days after enactment) the payment to producers under section 104 in light of those amendments.

Section 1848(e) establishes the Hurricane Hugo Forestry Assistance Act. It provides cost-share assistance to encourage tree owners to re-establish stands of trees damaged by Hurricane Hugo subject to several conditions.

Section 1848(f) provides that any benefits or assistance provides under section 1848, or under the amendments made by section 1848 to the Disaster Assistance Act of 1989, may be provided only to the extent provided for in advance by appropriations acta. To carry out section 1848 and the amendments it makes to the 1989 Act, it authorizes to be appropriated for fiscal years 1991 through 1995 such suns as are necessary.

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment to change the funding mechanism for producers of valencias and ensure that unmarketable quantities are not included in determining the amount of assistance. In addition, the provisions of S.2664 (a bill to provide disaster assistance to producers) are included with modifications to bring the provisions of S.2664 in accord with the Disaster Assistance Acts of 1988 and 1989 and make the provisions subject to appropriations. The Managers note that the administration provided disaster assistance to producers who suffered a crop loss from Hurricane Hugo who were in tomato-cucumber rotation, but failed to provide assistance to those growing tomatoes after tomatoes. The Managers feel that this language corrects this problem, and that assistance should be provided to producers who plant tomatoes after tomatoes and other similar crops.

(2) Assistance for Big Horn River Drainage System

The Senate bill authorizes the Secretary to make disaster assistance available to producers on a farm who suffered losses due to drought induced by lack of water as a result of Indian Tribal water rights adjudication affecting producers on that portion of the Big Horn River drainage system located on the Wind River Indian Reservation, Wyoming, for the 1990 crop of wheat, barley, oats, grass hay, and alfalfa hay. The disaster assistance shall be similar to assistance provided under the Disaster Assistance Act of 1989 and shall be drawn from a pool of funds not to exceed $250,000.

The House amendment provides the Secretary with authority in each commodity title to include in the definition of a "condition beyond the control of the producer" such a condition resulting from adjudication of Indian water settlement disputes.

The Conference substitute adopts the Senate provision with an amendment making the provision mandatory.

(3) Emergency grants to assist low-income migrant and seasonal farm workers

The House amendment authorizes the Secretary to make grants, not to exceed $20 million annually, to public agencies or private organizations with tax exempt status under section 501(c)(3) of the Internal Revenue Code of 1986 that have experience in providing emergency services to low-income migrant or seasonal farmworkers, when the Secretary determines that a local, State, or national emergency or disaster has caused low-income migrant or seasonal farmworkers to lose income, or to be unable to work, or to stay home or return home in anticipation of work shortages.

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

TITLE XXIII—RURAL DEVELOPMENT

(1) Sec. 2301. Short Title

The Senate bill establishes the short title as the "Rural Partnerships Act of 1990." (Sec. 2001)

The House amendment establishes the short title as the "Rural Economic Development Act of 1990;" and requires that certain regulations be promulgated within 180 days. (Secs. 2600 and 2601)

The Conference substitute adopts the House provision.

Subtitle A—Reorganization of the Department of Agriculture

(2) Sec. 2302. Rural Development Administration

The Senate bill instructs the Secretary to review and report to Congress on how the United States Department of Agriculture (USDA) can better coordinate rural development activities of all its agencies. (Sec. 2043)

The House amendment divides up the Farmers Home Administration into two separate agencies—FmHA and the new "Rural Development Administration" (RDA); appoints a new Administrator with authority over rural development grant and loan programs (transferred from FmHA authority); and transfers personnel, liabilities and funding for those programs to the new RDA. FmHA would retain farm lending and housing programs. (Secs. 1901 and 1902)

The Conference substitute adopts the House provision.

(3) Sec. 2303. Conforming amendments

The House amendment makes certain conforming amendments to accommodate the Rural Development Administration.

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

Subtitle B—Coordination of Rural Development Efforts

PART I—GENERAL PROVISIONS

(4) Sec. 2310. General Provisions

The Senate bill allows local revolving funds in any State to apply to a Federal board for funding to assist in business financing. (Secs 2005-2007)

The House amendment permits all States to set up State Rural Economic Development Review panels to prioritize rural development activities. (Sec. 2001)

The Conference substitute adopts the House provision with an amendment to permit up to 5 States to participate during any particular period in each of the Senate partnerships program and/or the House State review panel process. This authority expires September 30, 1996.

(5) Secs. 2311-2315. Rural Investment Partnerships—Local Revolving Loan Funds

The Senate bill authorizes appropriations to establish a program for the Secretary to provide seed money to create local revolving funds. The revolving loan funds will leverage private and public funds to invest in or guarantee loans to local rural businesses.

All types of entities can apply to USDA to administer a revolving fund, including State and local governments, private and public nonprofit organizations, and Indian tribes.

A temporary federal "Rural Partnerships Investment Board" is created to provide lines of credit (which are very similar to grants except the funds are made available as needed) to approved applicants ("eligible entities") that will place the money in local revolving funds to be used for investments in new or expanding rural businesses.

The local revolving funds—working with banks and other financial institutions—make the local investment decisions. The Federal funds are required to be leveraged with matching funds at one level—and may be leveraged at two levels.

Each loan from a local revolving fund must be matched on at least a 50-50 basis by one or more financial institutions. To be approved to operate a revolving fund at the local level the Federal contribution to the fund must be matched with either cash or commitments to participate in the investment program.

Each local revolving fund can be approved for a line of credit of up to $750,000 in the first year (and up to $2,250,000 in total over five years), except that the State agency can receive up to $1,250,000 in the first year (and up to $3,750,000 over five years).

Several revolving loan funds may operate in any given State. Each grant recipient will establish a revolving fund (with the Federal "line of credit" funds, local matching funds if any, interest collected on loans, proceeds from repayments of loans or equity investments) for investment in certain new or expanding local businesses in conjunction with lending by banks and other financial institutions.

Local businesses with 100 or more employees shall not be eligible to receive assistance. Any one business cannot receive more than $250,000 in one year.

Each local revolving fund could guarantee loans, make capital investments, or loan money to local businesses in partnership with local banks, savings and loan associations or community development credit unions.

To be approved for a grant (the line of credit) each local revolving fund must:

(1) match, under procedures set by the Board, each dollar in the Board line of credit with a dollar in either cash, or cash equivalents, or letters of credit, from banks, financial institutions, local or State governments, or other entities (including itself or foundations); or

(2) demonstrate a commitment by financial institutions to participate in the lending program.

Each local revolving fund is to serve a "service area" which the local revolving fund defines within limits in the bill. Areas served must be rural—i.e., towns or cities with populations in excess of 20,000 are not covered.

The service area is targeted to needier rural areas.

The Federal Board is terminated after five years, but the local revolving funds can continue. The federal "seed" capital is not required to be repaid to the Department. If there are losses on any given investment the lending agreement will set forth to what extent the federal share of each particular loan is lost. (Secs. 2001-2009)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to implement the program as an up to five-state pilot program.

PART 2—RURAL ECONOMIC DEVELOPMENT REVIEW PANELS

(6) Sec. 2316. Delivery of certain rural development programs

The House amendment proposes changes in the way Farmers Home Administration (FmHA) rural development programs are delivered. Each State will be required, as a prerequisite for eligibility to receive certain Federal rural development funds, to establish a 16-member State Economic Development Review Panel.

Each panel will rank order recommendations to the Secretary as to which applications should be approved and funded.

Each of the panels will assess, review and prioritize State and local needs for rural development. The panels will rank projects based on several factors and recommend which applications should be funded by USDA with funds appropriated to the State annually.

Each State panel will accept or return applications for loans and grants before they are sent to the Secretary; approve or disapprove rural area plans; determine whether "area plans" are acceptable; prioritize and rank applications for loans and grants within the State; and recommend to the Secretary which projects should be funded and in what order.

The Secretary may change the priorities; totally disapprove any requests; partially fund any requests; and reject or approve recommendations of the panel.

If the Secretary rejects or otherwise alters any recommendation of the Panel, the Secretary must notify Congress within 10 days of such decision why it was rejected or otherwise not followed.

Applications for assistance from the Rural Development Administration shall continue under current procedures, however, all applications must be reviewed and approved by the 16-member State review panels created in each State before final funding by the Rural Development Administration can occur.

Program participation is contingent on and will be based on development of "area plans" produced by local or regional areas. Area plans must "identify the geographical boundaries" of the service area. These may be plans already in existence, or they may be developed specifically to meet the requirements of this bill.

The House amendment also provides that each State agency managing the panel activities may receive up to $100,000 annually for administrative costs. The State review panel is exempt from the Federal Advisory Committee Act, and is immune from any liability for their actions. (Sec. 2001)

The House amendment further requires that each year the sums appropriated for direct loans for water and waste or for community facility programs (section 306(a) programs) be compared to the total funds needed for the rank ordered list of projects (if and as approved by USDA).

If the sums appropriated for loan guarantees are not sufficient to fully fund the list of projects, the Secretary can transfer up to all the funds (allocated to each State) from water and waste to community facility (or the reverse) except that the Secretary cannot transfer more than is needed to fully fund projects on the list, nor more than a total net amount of $9 million from one such program. (Sec. 2002)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment to implement these provisions for up to five states as pilot projects if the State is an "eligible State" as defined in new section 365 of the Consolidated Farm and Rural Development Act and if the State is one of the five selected States.

Subtitle C—Water and waste facilities

(7) Sec. 2321. Increase on limitation of authorization for water and waste grants.

The Senate bill increases the cap on the authorization for appropriations under section 306(a)(2) of the Consolidated Farm and Rural Development Act for water and waste loans and grants through the Farmers Home Administration (FmHA) by $50 million in each of the next two fiscal years (up to $204.9 million). (Sec. 2056)

The House amendment removes the cap on the authorization; the effective authorization level would be $500 million. (Sec. 2107)

The Conference substitute adopts the House amendment.

(8) Sec. 2322. Water and Waste Facility Financing

The Senate bill establishes a new program for the Secretary to make loans (at a rate not exceeding 5%) to REA borrowers to provide water and waste facility services in areas served by borrowers. The Secretary may establish procedures to leverage Federal funds with private funds to provide an additional source of financing for communities in need of water and waste assistance which is not being met by FmHA.

The amount appropriated for this program cannot exceed 10% of total insured loans under REA Act, or $40 million, whichever is less. The Secretary must ensure that the new program for REA borrowers is coordinated with the FmHA water and waste program, and that consideration is given to whether the loan will enable the communities to comply with Federal and State safe drinking water and water pollution control laws, and other factors.

A priority is given to communities which would not otherwise be served and are in great need. Each year, unused funds appropriated for purposes of this section shall be transferred to the fund used by FmHA to make water and waste loans to FmHA participants (regarding the section 306 water and waste facility loans). There are detailed statutory provisions regarding replenishment of the account created under this section. (Sec. 2022)

The House amendment states that REA borrowers are eligible borrowers on an equal basis under FmHA water and waste program; and that the Administrator of REA shall provide technical assistance to borrowers with water and waste facilities loans and grants. (Sec. 2001(h))

The Conference substitute adopts the Senate provision with an amendment that requires that only 50 percent of the total cost of the proposed project may be loaned to REA borrowers through the program. The balance must be obtained from the borrower's own funds.

(9) Sec. 2323. Water and waste lending by banks for cooperatives

The Senate bill expands authority of banks for cooperatives to lend to entities eligible under sec 306(a)(1) of the Consolidated Farm and Rural Development Act (rural communities with populations under 20,000, including nonprofit corporations) for waste disposal or drinking water facilities or systems. (Sec. 2058)

The House amendment is similar to the Senate version, but limits the entities eligible to receive loans to cooperatives formed for this specific purpose. This section also includes a conforming amendment to the Farm Credit Act. (Sec. 2103)

The Conference substitute adopts the House provision with an amendment to allow cooperatives and municipalities to receive loans from the banks for cooperatives.

(10) Sec. 2324. Rural wastewater treatment circuit rider program

The Senate bill sets up a program to allow communities to share a technical specialist for rural wastewater systems. Authorizes $4 million through FmHA for matching grants. (Sec. 2059)

The House amendment is the same as the Senate except for technical drafting differences. (Sec. 2106)

The Conference substitute adopts the House provision.

(11) Sec. 2325. Technical assistance for certain solid waste management

The Senate bill expands authority under section 310(b) of the Consolidated Farm and Rural Development Act to allow grants for technical assistance to local governments and related agencies to improve, plan and manage solid waste disposal facilities. (Sec. 2060)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(12) Sec. 2326 and 2327. Water and waste facility loans and grants to alleviate health risks

The Senate bill sets up a new program within FmHA to provide grants to very small, distressed rural communities which have experienced a sudden and severe loss of water supply. Public and private nonprofit entities are eligible for competitive grants; authorizes $25 million in 1991, $10 million in 1992, available until fully appropriated. (Sec. 2057)

The House amendment sets up a new program to fund development, use and control of water, including drainage and disposal facilities in communities facing significant health risks because they do not have access to adequate or affordable water and waste systems. Loans may also be made to individuals to connect residences to water systems.

A preference is given to applications proposing to provide water and/or services to rural "colonias" and residents of colonias. Authorizes $30 million for grants and $30 million for loans. (Sec. 2605)

The Conference substitute adopts both the Senate and the House provisions with technical amendments.

(13) Sec. 2328. Water and waste disposal loans to benefit rural businesses

The House amendment adds "rural businesses" to the list of primary end users for water and waste facilities financed by the FmHA water and waste facility loan and grant program. (Sec. 2105)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

(14) Sec. 2329. Limitations on Conditions for Water and Sewer Grants and Loans

The House amendment adds a new subparagraph to section 306(a) of the Consolidated Farm and Rural Development Act to prohibit the Secretary from conditioning loans and grants under the FmHA water and waste program on any requirements other than those specified in the Act. (Sec. 2108)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

Subtitle D—Enhancing human resources

(15) Secs. 2331-2334. Distance learning and medical link programs

The Senate bill authorizes the Administrator of the Rural Electrification Administration (REA) and the Secretary to provide grants ($25 million, 1991; $50 million, 1992-93; $60 million, 1994-95) to secure or create telecommunications systems for rural "end-users". Entities eligible to apply for grants under the program include rural schools, medical providers or partnerships of rural businesses.

The Department is required to provide expedited loans to rural telephone exchanges working with approved applicants to provide such systems. In this case, the application for the project must be approved before the local telephone exchange can apply for an expedited loan to provide the additional service.

The bill requires that the applicant notify the local exchange carrier of the pending application with the Administrator to give them an opportunity to work with the applicant to provide the transmission service.

Grants provided under this section can be used for telecommunications equipment, interactive video equipment, computer hardware and software and instructional programming which would be used in connection with a telecommunications system. Grant funds cannot be used for telecommunications transmission facilities if the local exchange carrier is participating in the project and has agreed to provide the additional service.

The Administrator and the Secretary are instructed to work with each applicant to ensure that the most appropriate systems are funded. The Administrator may consider many factors in approving grants, including: the needs of the area, the cost-benefit merits of the proposal, and the appropriateness of the proposal with regard to other alternatives. (Secs 2031-2035)

The House amendment contains: a policy statement that telecommunications technology and services improve the quality of life in rural areas, and that the Rural Telephone Bank and REA should make loans to facilitate the development and enhancement of rural telecommunications infrastructure; and new authority for the Administrator of the Rural Development Administration (organized under this Act) to provide low-interest and market rate loans to one or more rural businesses, local governments or public agencies to fund facilities to share telecommunications terminal equipment, computers and computer systems and software.

The projects must be approved through the State review panel (established under sections 2001 and 2002 of the House amendment). $75 million over five years at $15 million per year is authorized. (Secs. 2502, 2801, 2811 and 2812)

The Conference substitute adopts the Senate provision with an amendment to delete eligibility for rural businesses and to adopt the House provision for a loan program to rural business partnerships for telecommunications.

Two amendments are made to the Senate provision: (1) Applications for grants must include information indicating that a wide variety of additional telecommunications service providers have been consulted prior to approval of the application for the project;

and (2) the Administrator is required to provide notice of, and make available, applications received for grants for rural telecommunications programs.

(16) Sec. 2335-2337. Rural communications access to advanced telecommunications

The House amendment allows business partnerships to apply for loans to the Secretary for the communications terminal equipment. There are authorized to be appropriated $15 million for each of fiscal years 1991 through 1995.

The Senate bill contains no comparable provisions.

The Conference substitute adopts the House provision with an amendment to not require that the State review panels analyze these applications except for the up to 5 States which have such panels.

The Managers wish to point out that rural development has been an issue of importance to both Committees during the 101st Congress. Dozens of public hearings gave Members the opportunity to hear from hundreds of witnesses. One of the major lessons learned from this process was that a vast number of diverse businesses, groups and organizations are anxious, able and willing to participate in the rural economic development effort. In this regard, the managers instruct the Secretary of Agriculture to make the broadest possible interpretation of eligibility to receive grants under the Department's rural development programs.

The Managers are concerned that the Federal resources provided in this Act not only act as a catalyst in the economic revitalization of rural areas through the activation of the broadest range of participants, but that the funds be used prudently and to their best advantage. End users should be encouraged to avail themselves of the vast array of services of already existing federally sponsored institutions providing technical assistance and research and development of proven approaches and programs. Partnerships between end users and the myriad of Federal and State sponsored technical and research organizations are to be encouraged.

In strengthening the capabilities of the rural labor force, the Secretary should make every effort to coordinate with other Federal and State programs already authorized, such as those operated under the Rural Electrification Administration, the Jobs Training Partnership Act, the Vocational Education Act, land grant and community colleges, regional education laboratories and vocational/technical schools.

The Enhancing Human Resources subtitle is designed to provide access to advanced telecommunications to improve rural opportunities, particularly for rural schools, rural health care providers and rural businesses. This subtitle establishes new grants and low-interest loan programs which will be administered by the REA and the Secretary, for rural areas to accomplish this purpose. The grants and low-interest loans are for up to 100 percent of the cost for an approved project and grants and low-interest loans are awarded to approved end users.

The program is intended to be "technology neutral" so that rural communities may determine the appropriate technology delivery system for their particular area. This is consistent with recommendations by the Office of Technology Assessment. The program also allows grantees to either lease or purchase telecommunications equipment.

The REA will establish and implement this program, as well as publicize and promote it in rural areas. In addition, the REA will assist grant and loan applications by developing qualifying technical standards that these telecommunications systems should meet to be eligible for funding.

(17) Sec. 2341. Local technical assistance grants

The Senate bill expands the existing FmHA program to authorize the Secretary to make grants to public bodies, private nonprofit community development corporations or entities, or other agencies the Secretary may select, to implement a program to identify and analyze business opportunities for rural areas; assist rural entrepreneurs and managers; establish business support centers, etc.; and aid in strategic planning and leadership development. Authorizes $7.5 million annually. (Sec. 2045)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment clarifying that recipients of grants should coordinate activities with the Extension Service.

(18) Sec. 2342. Rural emergency assistance loans

The Senate bill authorizes the Secretary to make short-term loans (not exceeding $50,000) to any town or city with a population under 20,000 to correct emergency conditions or situations needing urgent attention. The loans are issued to give the community time to obtain alternative financing and must be repaid within 2 years, or sooner. This program will be targeted to needy rural communities. Authorizes $2.5 million in 1991 and $5 million annually thereafter. (Sec. 2046)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(19) Sec. 2343. REA technical assistance unit

The Senate bill instructs REA to set up a technical assistance unit to provide advice and guidance to borrowers concerning community and economic development activities. It requires at least 1% of REA administrative funding to be used for a technical assistance unit. (Sec. 2020(e))

The House amendment requires the Administrator of REA to establish a technical assistance unit to provide advice and guidance to REA borrowers on investing in rural development activities; authorizes rural development pilot projects; and act as a clearinghouse for borrowers who wish to undertake rural development; and to promote partnerships between borrowers and other entities to improve rural development. It requires that at least 3% of REA administrative funds must be applied to the new unit. (Sec. 2101)

The Conference substitute adopts the House provision with an amendment which sets aside at least 2% of REA administrative funds for the technical assistance unit.

(20) Sec. 2344. Deferment of payment on economic development loans

The Senate bill allows REA borrowers to defer making any loan payment if funds in an amount equal to the deferment (for 5 or 10 years) are used for rural development financing, if the amount deferred represents not more than half of the cost of the community or economic development project financed, and if the borrower makes a "cushion of credit" payment to REA equal to the amount deferred. (These cushion of credit accounts earn interest at 5% from REA.)

The full amount deferred must be paid to REA in equal installments beginning on the date of deferment, without the accrual of interest. The difference between the zero percent interest at which the borrower repays the deferred loan payment and the 5% rate constitutes the Federal incentive provided to the borrower to make the rural development investments. (Section 2021)

The House amendment is similar to the Senate provision. (Sec. 2102)

The Conference substitute adopts the House provision with technical amendments and clarification that the program is subject to appropriations.

(21) Sec. 2345. Rural economic development –Incubators

The Senate bill requires the Administrator to provide advice, and technical, financial and informational assistance to REA borrowers to encourage investment in rural development. The Administrator is also required to establish a business incubator fund to provide grants and loans to REA borrowers, and nonprofit organizations in areas sparsely served by REA borrowers, to promote, create or operate business incubators in rural areas. The bill authorizes $10 million annually for the fund, up to a capitalization of $60 million. REA borrowers must contribute some of their own capital to the fund. (Sec. 2023)

The Senate bill includes a statement of Federal policy to encourage and support the development and operation of business incubators and directs the heads of various Federal agencies to review current grant and loan rules and regulations to make sure that business incubators are eligible for funding. The results of the reviews are to be submitted to appropriate House and Senate committees. (Sec. 2025)

The House amendment contains no comparable provisions.

The Conference substitute adopts the Senate provisions.

(22) Sec. 2346. Extension service

The Senate bill encourages States to hire additional specialists through Cooperative Extension Service (State or county) to assist individuals in creating new businesses, or to assist existing businesses regarding technologies, management, planning and other related matters. As the incentive to hire new rural development agents, the federal program will pay 60% of the salary of the rural development specialists and 100% for such specialist at 1890 land-grant colleges and Tuskegee University. These activities must be coordinated with the Small Business Administration to ensure no duplication. It authorizes $50 million over five years, and permanently authorizes $20 million annually thereafter. (Sec. 2041)

The House amendment expands current law to set up a national program administered by the Extension Service to provide training, technical and management assistance to rural citizens for entrepreneurship, self-employment opportunities, leadership development, telecommunications training and other assistance. The program also authorizes State extension service programs to compile a catalog of state, federal and other programs available to provide training or other such services. The Secretary is required to establish procedures to train extension personnel to understand the availability of rural development programs in their respective states. No additional funding is authorized. (Sec. 2301)

The Conference substitute adopts the Senate provision with an amendment to combine the House and Senate programs and carry-out the intent of both provisions. Changes are made to clarify the intent of the program, and to provide that the National Agricultural Library Clearinghouse shall develop the catalog of programs available to rural communities, rather than the State extension offices.

(23) Sec. 2347. Rural technology grants

The House amendment authorizes the Secretary to set up a program and make grants through FmHA to nonprofit institutions to establish and operate all-purpose centers for rural technology or cooperative development.

The centers will research and study principles, facts and technology which may be useful to rural areas, and transfer this technology through training, grants and loans to small businesses, technical assistance and other types of support. The centers should consult with land grants, business, industry, education and governments. Authorizes $50 million for next three years. (Sec. 2202)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with a technical amendment.

(24) Sec. 2348. Demonstration projects

The House amendment contains a new program for the Secretary to provide competitive grants to rural areas to serve as demonstration areas for rural economic development. The grants will go to land-grant colleges, agricultural experiment stations to evaluate the impact of Federal and State aid on economic competitiveness. $3 million is authorized per year. (Secs. 2403 and 2404)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with a clarifying amendment.

(25) Sec. 2349. Rural development research assistance

The Senate bill adds authority to existing competitive research grants program to award grants to land-grant colleges and universities, State agricultural experiment stations, nonprofit organizations specializing in applied research, etc. for research to improve competitiveness and diversification, strategic planning, human resources, and the data base for rural development decision making.

The Secretary shall establish a program for matching grants to promote technology transfer, innovation, and new product development. Institutions as well as nonprofit organizations that have the capacity to carry out such activities are eligible to apply. A one-to-one financial match is required. $2 million per year is authorized to be appropriated for this purpose. (Sec. 2076)

The House amendment adds a similar program except that the authorization is for $3 million annually. (Sec. 2404)

The Conference substitute adopts House provisions with an amendment incorporating some of the Senate provisions.

(26) Sec. 2350. REA Assistant Administrator

The Senate bill requires the REA Administrator to appoint an Assistant Administrator for Economic Development to carry out REA programs involving borrowers in community and economic development. Ten to 20 percent of administrative funds may be dedicated to activities of the new Assistant Administrator. (Sec. 2020)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

Subtitle F—Rural Electrification Act Provisions

(27) Secs. 2351–2369. Rural telephone program provisions

The House amendment in subtitle F contains a number of provisions concerning the Rural Electrification Act primarily regarding rural telephone program borrowers. These provisions update definitions, encourage telephone company investments, set forth general duties and prohibitions, separate electric and telephone assets, describe new amortization periods and TIER requirements, clarify the telephone loan guarantee authority, modify the RTB board, provide for full capitalization of RTB Class A stock, require full use of bank loan levels, and provide other technical changes.

The Senate bill contains no comparable provisions.

The Conference substitute adopts the House provisions with amendments to exclude from being published agency management and personnel matters unrelated to policies governing the operations of the telephone loan and loan guarantee programs (section 2357). The Conference substitute also deletes sections on nonduplication (section 2521), full capitalization (section 2542), and full use of telephone loan levels (section 2546), and deletes proposed paragraph 2 of section 18 of the Rural Electrification Act (section 2511).

Subtitle G—Rural Revitalization Through Forestry

(28) Secs. 2371–2379. Assistance to communities dependent on natural resources

The Senate bill provides additional funds for a reforestation trust fund for economic diversification assistance to rural communities dependent to a significant degree on Forest Service resource management decisions for their local economic activity. Authorizes $10 million per year for this purpose. (Sec. 2074)

The House amendment provides additional funds for the Reforestation Trust fund by increasing the amount of assistance available to forestry-dependent communities, upon request, to involve

Forest Service management "action teams" in planning economic diversification for the community. Authorizes an amount equal to 5% of sums received ($40 million) by the Secretary, and such sums as may be necessary, from sales of timber and other products of the forests, and of user fees of forest lands; and such sums as may be necessary. It also provides for financial assistance to implement projects designed to diversify local economies. It further provides for training and education for displaced forestry workers. (Secs. 2701-2708)

The Conference substitute adopts the House provisions with an amendment to combine the two programs and make them subject to appropriations.

Subtitle H—Miscellaneous Provisions

(29) Sec. 2381. National Rural Information Center Clearinghouse

The Senate bill establishes within the National Agricultural Library (NAL) a clearinghouse to provide and distribute information to industry, organizations, governments, on request, about programs and services available to rural areas, including job training, education, health care, economic development, and emotional and financial counseling. It authorizes $500,000 annually through 1995. (Sec. 2051)

The House amendment provides for rural development information sharing. (Sec. 2201)

The Conference substitute adopts the Senate provision with an amendment to clarify that the National Agricultural Library should disseminate information to rural areas using telecommunications technology.

(30) Sec. 2382. Monitoring the economic progress of rural America

The Senate bill requires Bureau of Census to expand data collection efforts for rural counties and communities, including data on employment, poverty and income, and the rural labor force. $1 million is authorized per year. (Sec. 2071)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment that the data be collected in consultation with the USDA Economic Research Service.

(31) Sec. 2383. Loan rates applicable to certain loans under the Consolidated Farm and Rural Development Act

The Senate bill requires the Secretary to set loan rates for health care and related facilities based solely on the income of the area to be served. (Sec. 2073)

The House amendment is the same as the Senate except for minor technical changes. (Sec. 2603)

The Conference substitute adopts the House provision.

(32) Sec. 2384. Assistance for certain distressed community facility program borrowers

The Senate bill states that the Secretary shall establish and implement a program for debt restructuring and loan servicing procedures which shall apply to delinquent community facility loans made by FmHA to hospitals or health care facilities. (Sec. 2075)

The House amendment is the same as the Senate with minor technical differences. (Sec. 2604)

The Conference substitute adopts the House provision.

(33) Sec. 2385. Analysis by Office of Technology Assessment (OTA)

The Senate bill states that the Office of Technology Assessment is instructed to analyze the effect of new information technology on rural America, the ability of rural citizens to acquire advanced technology, and recommend ways in which the Library of Congress may connect with rural citizens by computer to share information in the national library. (Sec. 2078)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(34) Sec. 2386. Grants to broadcasting systems

The Senate bill demonstrates the effectiveness in providing information on agriculture and other issues of importance to farmers and rural residents. (Sec. 2081)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(35) Sec. 2387. Merger of certain rural electric cooperatives

The Senate bill states that a direct or insured loan may be prepaid by a borrower (from the Rural Electrification Administration) at present balance or present discounted value (whichever is less) if the borrower is an electrical organization which resulted from a merger between a REA borrower and an organization which (before October 1, 1987) prepaid its direct or insured loans under section 306B of the Rural Electrification Act.

Prepayments by a borrower shall be made not later than one year after the effective date of the merger. The provision raises $9 million in revenue over next 5 years since it encourages the early payment of low-interest loans to REA. The provisions encourage the mergers of electric cooperatives where one has previously prepaid REA loans. The provision allows the merged coop to pre-pay its REA debt and then not be subject to operating restrictions of two different lenders. (Sec. 2084)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with a technical amendment clarifying that it only affects electric borrowers.

(36) Sec. 2388. Technical corrections in the Consolidated Farm and Rural Development Act

The House amendment makes technical corrections in the Consolidated Farm and Rural Development Act. (Sec. 2609)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

(37) Sec. 2389. Grants for financially stressed farmers.

The Senate bill extends the current program through 1995 and also allows for assistance to local officials and groups in developing income and employment alternatives. The program provides that not less than one-third of grants to states may be used to provide clinical outreach counseling and crisis management assistance through appropriate state officials. (Sec. 1493)

The House amendment is similar to the Senate, but requires that not less than half the grants funds be used for clinical outreach counseling and crisis management assistance. States currently participating in the program are eligible to receive grants as long as not less than half the grant funds go to clinical outreach and counseling. (Sec. 1317)

The Conference substitute adopts the House provision with an amendment to clarify that the 50 percent requirement refers to a combined total for these programs and that the crisis management assistance does not necessarily need to be in a clinical setting. The Conference amendment also clarifies that eligible providers do not necessarily have to be State agencies and that a memorandum of understanding is in effect to transfer the funds to other entities. Finally, the amendment makes a technical correction to the provision to clarify that States with existing programs are eligible for funding as long as they meet new requirements of the program and removes the prohibition of any increases in the level of funding for those programs.

(38) Sec. 2390. Rural health and safety education

The Senate bill amends section 502 of the Rural Development Act of 1972 to authorize the Secretary to make grants to States to establish programs to provide individual and family health education and information and training to farm workers, timber harvesters and farm families concerning safety in the work place. The programs shall be coordinated with State offices of rural health, and shall work in concurrence with land-grant universities and other universities to determine the type of rural health and safety education program needed in the State. (Sec. 1495)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to include requirements for coordination with other appropriate agencies within the Department of Health and Human Services, and with universities which receive Rural Health Research Center grants.

(39) Sec. 2391. Rural health infrastructure improvement

The Senate bill states that the Secretary shall award a grant for a project to demonstrate a model approach to improving rural health infrastructure. The project shall carry out health needs assessments, coordinate health resources, and improve community health infrastructure. Coordination shall be through Cooperative Extension Service. Such sums as are necessary are authorized to be appropriated. (Sec. 1497)

The House amendment contains on comparable provision.

The Conference substitute adopts the Senate provision with an amendment to clarify the goals of the project to improve the existing network and rural health infrastructure by involving the Cooperative Extension Service, community-based citizens organizations and an academic medical center to more effectively identify and develop a plan to coordinate rural health infrastructure resources and needs of underdeveloped rural counties that evidence severe social, economic and health-related problems.

The amendment includes coordination and information sharing with Area Health Education Centers, the Extension Service and other appropriate rural health agencies to facilitate transferring a model approach to other rural areas.

(40) Sec. 2392. Census of agriculture

The Senate bill states that the Secretary of Commerce shall include questions relating to agricultural accidents and farm safety in the 1992 Census of Agriculture. (Sec. 1498f)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(41) Sec. 2393. Limitation on conditions for water and sewer grants and loans

The House amendment specifies that in making or insuring loans or making grants under this subsection, the Secretary may not condition approval of such loans or grants upon any requirement, condition or certification other than those specified under the Con Act.

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

(42) Sec. 2394. Encouragement of private contracting

The House amendment requires the Secretary to develop a plan to encourage the use of private enterprises in rural areas to carry out the purposes of title XXIII of the House amendment. (Sec. 2602)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

(43) Sec. 2395. Preservation of eligibility

The House amendment provides that nothing in the Act shall adversely affect the eligibility of cooperatives or other entities for any other credit assistance under Federal law. (Sec. 2606)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

(44) Sec. 2396. Regulations

The House amendment specifies that except as otherwise provided, no later than 180 days after the date of the enactment, the Secretary shall promulgate such regulations as may be necessary.

The Senate bill contains no comparable provisions.

The Conference substitute adopts the House provision.

Additional provisions deleted in Conference

(45) Findings and Purpose

The Senate bill contains findings and a purpose that reflect that: (1) the economic well-being of America is vital to overall national growth and prosperity; (2) many rural areas suffer from a lack of industrial and business diversity; (3) rural poverty rates are significantly higher than metropolitan rates, and rural per capita income is significantly lower than metropolitan per capital income; (4) the lack of advanced telecommunications in rural areas impedes economic growth; and (5) a more robust rural economy will make the United States more competitive in the world market. (Sec. 2002)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

(46) Grants for Emergency Public Safety Telephone Answering Systems

The House amendment requires the Under Secretary of Rural Development to make grants to local governments (not exceeding $30,000 to each) for the development of emergency public safety telephone answering systems. It authorizes a total of $15 million over five years ($3 million per year). (Sec. 2822)

The Senate bill has no comparable provision.

The Conference substitute deletes the House provision.

(47) Study on the Use of Telecommunications Infrastructure by Businesses in Rural Areas

The House amendment requires the Secretary to conduct a study on the availability and needs of rural telecommunications infrastructure and make recommendations to promote rural economic development through advanced telecommunications. (Sec. 2823)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

(48) Rural Development Assistance Information and Availability

The Senate bill requires the Secretary (1) to study economically distressed rural counties to evaluate the needs for rural development assistance, the nature and availability of such assistance; and (2) to report annually for 3 years. It establishes a new program, in conjunction with the National Agricultural Library, to provide information to rural and nonmetropolitan areas on rural development matters and availability of federal assistance. (Sec. 2042)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

(49) Report on data processing feasibility in rural areas

The Senate bill requires a report to Congress on the feasibility of moving Department of Agriculture data processing functions to rural areas. (Sec. 2044)

The House amendment instructs the Secretary to report on the telecommunications abilities of rural areas, prepare a list indicating which have telecommunications capability and to direct federal data processing to those areas. It also directs the Secretary to study the availability of telecommunications infrastructure by small and large businesses in rural areas. (Secs. 2821 and 2823)

The Conference substitute deletes both the Senate and House provisions.

(50) Historic preservation requirements

The Senate bill requires the Secretary of the Interior to prescribe and implement regulations concerning rural development projects under this Act as they may affect the preservation of historic properties. (Sec. 2072)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision. The Managers further instruct the Secretary to prescribe and implement such regulations immediately and to report to both the House and Senate Agriculture Committees upon completion of the regulations.

(51) B&I Loans

a. Business and industry loan program applications.

The Senate bill requires that applications for business and industry loans not be disapproved solely because of the lack of funds, but that they should be placed on pending status for reconsideration when funds are next available. (Sec. 2077)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

b. Limitation on size of loans.

The House amendment reduces the maximum size of loans for the Federal business and industry program to target loans to small (fewer than 500 employees) and very small (fewer than 30 employees) rural businesses for startup and expansion costs. Reduces current law maximum loan from $25 million to $5 million. State Review Panels will make appropriate ranking recommendations regarding applications from businesses for grants and loans. (Sec. 2104)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(52) Sense of Congress concerning toll rate averaging

The Senate bill states that this section expresses the sense of the Senate that because of the importance of telecommunications to rural economic development and because uniform averaged rates for toll calls prevent price discrimination for telephone service to rural areas, toll rate averaging should be defined as the cornerstone of universal service and should be maintained. (Sec. 2079)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

(53) National Endowment for Rural Development

The Senate bill expresses the sense of the Senate that a National Endowment for Rural Development should be established and directs the Executive Office of the President to review the idea. (Sec. 2080)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

(54) Economic impact statements

The Senate bill requires that any regulations for rural development activities under this Act must include an economic impact assessment concerning such regulations on rural communities and businesses. (Sec. 2082)

The House amendment contains no comparable provision.
The Conference substitute deletes the Senate provision.

(55) National Rural Development and Finance Corporations

The Senate bill reauthorizes the National Rural Development and Finance Corporation through fiscal year 1991, and makes technical changes in the program. Loan guarantees limited to 15 years. (Sec. 2083)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

(56) State Programs not Affected

The House amendment includes a provision to clarify that nothing in the Act is intended to preclude States from creating and maintaining other rural development programs. (Sec. 2608)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(57) Research Program on Nontraditional Uses of Agricultural Products

The House amendment contains a new program for the Secretary to provide competitive research grants for new nonfood, nonfeed products or processes (using agricultural commodities) with a priority given to those which may be commercially implemented by small rural businesses. (Sec. 2401)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(58) Authority for Rural Development Research Competitive Grants

The House amendment contains a new program for the Secretary to provide competitive grants to research social, economic and other factors influencing the economic vitality of rural areas. There is no authorization for this program. (Sec. 2402)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(59) State Rural Development Programs

The House amendment contains a sense of Congress that the provisions in this Act do not preclude States from conducting other rural development programs. (Sec. 2608)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision. The Managers would like to encourage State and local government in any and all efforts to promote rural development. The programs authorized under this Act are intended to compliment and enhance the ability of rural areas to conduct rural development activities.

(60) Farm Safety

The Senate bill provides that this subtitle be cited as the "Farm Injury Prevention and Treatment Act of 1990" and finds that: farming is one of the most dangerous occupations in the United States; farmers face unique severe injuries; the national interest would be served by an increased public knowledge on farm safety issues and medical treatment and rehabilitation services for farm injuries.

This section also provides definitions, and establishes a 17 member Farm Safety Task Force in the Department of Agriculture to advise the Secretary of Agriculture and the Secretary of Health and Human Services. Specific membership requirements are listed. Appropriations of $250,000 are authorized to pay the administrative expenses of the Task Force for fiscal years 1991 through 1995. The Secretaries at Agriculture and Health and Human Services are authorized to appoint and determine the compensation of such staff and temporary experts and consultants as the Task Force determines to be necessary to carry out the duties of the Task Force.

The bill further calls for farm accident prevention and tractor roll-over studies, and also provides for farm machinery research grants concerning machinery safety improvements. The bill provides grants to improve the recognition, care and rehabilitation of farm injuries and grants to study injury mechanisms. In addition, grants were provided for farm safety education efforts (Sec. 1498.)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision except for enhanced data collection regarding farm injuries and accidents. The Managers believe that the bill would be duplicative of existing programs. The current program is being implemented by the Secretary of Health and Human Services in cooperation with the USDA Extension Service. The Managers support that program and has included an additional program for rehabilitation and assistive technology for farmers with disabilities in the conference substitute (in the research title). The Managers also believe that a consistent and reliable source of data through appropriate Census questions will help to guide Federal policy in further support of farm safety in the future.

TITLE XXIV—GLOBAL CLIMATE CHANGE

(1) Short Title

The Senate bill's short title is "Global Climate Change Prevention Act of 1990" (Sec. 1921).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(2) Findings

The Senate bill lists several findings of Congress (Sec. 1922).

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

(3) Office of Climate Change

The Senate bill provides for establishment of an Office of Climate Change within USDA to serve as a focal point for coordinating all issues of climate change. The Director of the Office shall be appointed by the Secretary and report to the Assistant Secretary designated by the Secretary to be responsible for all climate change activities.

The Office shall serve as a liaison with other agencies and shall ensure that the impacts of climate change on agriculture and forestry are fully understood and addressed (Sec. 1923).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to (1) convert the Office into the "Global Climate Change Program" which would be implemented under the direction of a Program Director and established in an office designated by the Secretary, and (2) make minor modifications to the general duties and the specific responsibilities of the Program.

(4) Study on Agriculture and Forestry Implications of Climate Change

The Senate bill directs the Secretary to conduct a study on the implications of global climate change for agriculture and forestry (Sec. 1924).

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

Research on Global Climate Change, Forests, and Agriculture

(5) Short Title

The Senate bill's short title of this subchapter is the "Domestic Research on Global Climate Change, Forests, and Agriculture Act of 1990" (Sec. 1925).

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

(6) Findings

The Senate bill lists several findings of Congress. Congress finds, among other things, that the Earth's atmosphere is changing; temperature increase and other climatological phenomena are likely to result from emissions; studies show that global climate change is likely to cause changes in major crop growing areas and that such changes could lead to problems with the world food supply; understanding the potential risks of global climate change to agriculture and forestry is important to formulating programs to limit emissions; and forests and agricultural systems may offer the potential for limitation of emissions through changes in practices (Sec. 1926).

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

(7) Purposes

The Senate bill states that the primary purpose of this subchapter is to identify research priorities and direct research for examining the effects of global climate change on forests and agricultural productivity and to determine and demonstrate possible changes in forest management and agricultural practices that could reduce emissions (Sec. 1927).

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

(8) Research Studies

The Senate bill provides that the Secretary shall conduct a study on the effects of global climate change on rice production and if the results of the research warrant, conduct a study that addresses the means of mitigating the impacts of global climate change on rice. There are authorized to be appropriated for each of the fiscal years 1991 through 1994, $2,000,000 to carry out this study.

The Secretary shall conduct experimental studies on the effects of global climate change on the production of major U.S. crops. If the results of the study warrant, the Secretary shall conduct further studies that address the means of mitigating the impacts of global climate change on major U.S. crops. There are authorized to be appropriated for each of the fiscal years 1991 through 1996, $4,000,000 to carry out this study.

The Secretary shall conduct a study on methane emissions from U.S. and Asian irrigated rice production. There are authorized to be appropriated for each of the fiscal years 1991 through 1993, $1,000,000 to carry out this study.

The Secretary shall conduct a study concerning the magnitude and types of emissions from nitrogen intensive crops and the means for reducing emissions. There are authorized to be appropriated for each of the fiscal years 1991 through 1993, $1,000,000 to carry out this study.

Based on certain findings, including that animals are a major source of human food, the Secretary shall establish a Methane Emissions Program to evaluate the feasibility and costs of options for achieving reductions in methane emissions from animal management activities. The Program shall also evaluate options for the beneficial utilization of methane. Within 18 months of enactment the Secretary shall submit to Congress a report concerning the options evaluated and recommendations for studies and demonstration projects that will improve the public understanding of opportunities for reducing and using methane emissions from agriculture-related activities. Within 6 months of submission of the report, the Secretary shall initiate studies and demonstration projects. There are authorized to be appropriated to carry out these activities, $5,000,000 for fiscal year 1991, and $7,000,000 for each of the fiscal years 1992 and 1993.

The Secretary shall conduct a study on the emissions of methane, nitrous oxide, and hydrocarbons from tropical and temperate forests, the manner in which global change may affect emissions, and the manner in which such emissions may be reduced through management practices. There are authorized to be appropriated for each of the fiscal years 1991 through 1993, $2,000,000 to carry out this study (Sec. 1928).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provisions contained in Section 1928(a)(3) (A) and (B) (with respect to crops of economic significance) and Section (c)(2) (A) and (B) (with respect to forests) of the Senate bill.

The Managers are concerned that increases in temperature pose large potential risks to crops grown widely in the United States and, accordingly, the Conference substitute mandates studies of crops of economic significance, such as corn, sorghum, wheat, soybeans, and millet. Preliminary studies show that these grains are adversely affected by high temperatures during phases of early growth, flowering and ripening. Studies also show that the viability and vigor of the next generation of seed are adversely affected by high temperatures during the development phases of millet and soybeans. Similarly, the Conference substitute provides for a forestry study to examine whether alternative forest management strategies can mitigate negative effects of global climate change and to examine forest emissions.

In addition to the studies provided for in the Conference substitute, the Managers urge USDA to broaden its global climate change research agenda to include other important areas. For example, several studies have shown that rice is currently grown in conditions that are warmer than those for optimal productivity and that further increases in temperature will have a dramatic effect on production levels. The impacts on rice of combined increases of temperatures and changed hydrologic regimes are unknown but could potentially be worse than with high temperatures alone. Research is necessary to assess the risks to rice from global climate change and to determine how to mitigate against these risks where necessary and feasible. For example, if rice varieties are found to be harmed by high temperatures (and by high levels of carbon dioxide and different hydrologic regimes) it may be possible to breed new varieties which are tolerant to global climate change in the same manner as tolerance to drought, pests and salinity have been bred into rice plants over the last decades. The need for these programs must be determined soon however, because it takes many years to develop and fully test new plant varieties.

The Managers believe it is important that USDA conduct analysis of potential emissions from agricultural and forestry practices, with a view to, where possible, developing programs to limit emissions. Activities such as rice cultivation, nitrogen intensive crop use, improper soil management, land conversion (deforestation) and biomass burning are significant contributors to emissions of greenhouse gases. The Managers are aware that much work is being done in this area and that if USDA does not become involved this work will continue without the important agricultural knowledge base residing in USDA.

Much more needs to be known about the nature and extent of these emissions as well as the potential for certain agricultural and forestry practices to reduce emissions and to mitigate their effects. Given the increasing need for food associated with population increases, it is important that strategies for reducing emissions be developed that simultaneously contribute to higher productivity and increased farmers' incomes. While a number of opportunities have been identified for reducing emissions from forests and agricultural systems, and some of these opportunities have been identified as economically viable in their own right, much more work is necessary to further develop and demonstrate these options and effect their widespread use.

(9) Coordination

The Senate bill directs the Secretary to coordinate the planning and implementation of the activities required to be carried out under this subchapter with the Committee on Earth Sciences and the EPA and to submit to EPA a report concerning the options for reducing methane emissions from livestock and rice on a schedule compatible with the needs of the EPA to assist in the preparation of reduction plans for all methane sources (Sec. 1929).

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

(10) Technical Advisory Committee

The Senate bill directs the Secretary to establish a technical advisory committee (Section 1930).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with minor modifications.

CHAPTER 2 FORESTRY AND GLOBAL CLIMATE CHANGE.

International Forestry Cooperation

(11) Short Title

The Senate bill's short title of subchapter A is the "International Forestry Cooperation Act of 1990" (Sec. 1931).

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

(12) Findings and Purpose

The Senate bill lists certain findings of Congress including that forests in many parts of the world are rapidly declining; deforestation in the tropics is a major contributor to global climate change; and global forestry and natural resource problems require global solutions that can only be achieved through international cooperation.

The purpose of this subchapter is to encourage cooperation with other countries as they seek to achieve sustainable economic development through sound natural resource management (Sec 1932).

The House amendment has no comparable provision.

The Conference deletes the Senate provision.

(13) Forestry and Related Natural Resource Assistance

The Senate bill states that remedial actions with respect to forestry policy and resource conservation undertaken by a relatively few key countries could have a substantial impact on emissions of greenhouse gases, and the Secretary is required to focus global climate change international activities on these key countries.

The Secretary may, among other things, provide assistance that promotes development and global environmental stability and provide skills related to public and private natural resource administration, education and training opportunities, and opportunities for scientific exchange and cooperative research with foreign entities.

The Secretary shall undertake these activities in countries that receive assistance from AID only at the request, or with the concurrence, of the Administrator of AID (Sec. 1933).

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

(14) Tropical Deforestation and Assistance

The Senate bill authorizes the Secretary to support and actively participate in global and regional meetings to refine the Tropical Forestry Action Plan; provide assistance to and cooperate with tropical countries in forestry activities; provide staff, nonsensitive technologies and satellite imagery, and financial assistance to the Food and Agriculture Organization tropical forestry development activities (Sec. 1934).

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

(15) Training for Tropical Forest Management and Conservation

The Senate bill provides that the Secretary may, among other things, develop partnerships with tropical forestry management institutions; develop cooperation with schools in the U.S. and in tropical countries; manage the Caribbean National Forest Luquillo Experimental Forest to demonstrate sustainable management techniques; and assist tropical country entities to encourage local level sustainable tropical forestry management (Sec.1935).

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

(16) Institute of Tropical Forestry

The Senate bill authorizes the Secretary to expand the capabilities of and construct additional facilities at the Caribbean National Forest and Institute of Tropical Forestry in Puerto Rico. Not later than 1 year after enactment, the Secretary shall submit to the appropriate committees of Congress, a tropical forestry plan for the expansion and construction of additional facilities (Sec. 1936).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to establish an Institute of Tropical Forestry in Puerto Rico and an Institute of Pacific Islands Forestry and specifies that they shall conduct research on forest management and natural resources relating primarily to tropical forests.

(17) Administrative Provisions

The Senate bill requires the Secretary to coordinate all activities outside of the U.S. as the President may require. The Secretary may provide assistance without reimbursement (Sec. 1937).

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

(18) Authorization of Appropriations

The Senate bill authorizes such sums as may be necessary to be appropriated to carry out this subtitle (Sec. 1938).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to provide funding for fiscal years 1991 through 1996.

(19) Conforming Amendments

The Senate bill contains several conforming amendments. Amendments are made to the Forest and Rangeland Renewable Resources Research Act to, among other things, include a new finding on the threat of global climate change and to authorize the Secretary to expand research activities to encompass international forestry and natural resource issues. The Cooperative Forestry Assistance Act is amended by adding a new finding on the problems of global climate change on an international scale and by expanding the authority of the Secretary to provide assistance to other countries in global climate change activities (Sec. 1939).

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

(20) Forestry Planning and Global Climate Change

The Senate bill amends the Forest and Rangeland Renewable Resources Planning Act of 1974 by requiring a detailed analysis of the potential effects of climate change on renewable resources and a detailed analysis of forestry opportunities to mitigate and reduce the risk of climate change from global climate change. (Sec.1940)

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision, deleting requirements for addressing climate change concerns in revisions to land and resource management plans.

(21) Urban Forestry Demonstration Project

The Senate bill authorizes the Secretary to undertake a study and pilot implementation project to demonstrate the benefits of retaining and integrating forests in urban development. This project should be carried out through the Forest Service's Northeastern Area, State and Private Forestry program. (Sec. 1943A)

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(22) Biomass Energy Demonstration Projects

The Senate bill says that the Secretary, in consultation with the Secretary of Energy, may carry out projects that demonstrate the potential of short-rotation silvicultural methods to produce wood for electricity production and industrial energy needs. (Sec. 1944)

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(23) Forestry Research and Global Climate Change

The Senate bill amends the Forest and Rangeland Renewable Resources Research Act of 1978 by adding a new section to direct research activities on global climate change topics. (Sec. 1945)

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

(24) Interagency Cooperation

The Senate bill authorizes the Secretary to enter into agreement with the Secretary of Defense to conduct a study of reforestation and improved management of military installations and lands; and develop a program to manage such forests and lands. (Sec. 1946)

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(25) Authorization of Appropriations

The Senate bill authorizes appropriations for each of the Fiscal Years 1991 through 1993, $2,000,000 to carry out section 1946.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to authorize such sums as may be necessary for the implementation of this title for Fiscal Years 1991 to 1996. See 18 above.

Additional Provisions

(26) Office of International Forestry

The Conference substitute provides for the establishment of an Office of International Forestry within the Forest Service, under a Deputy Chief.

The Managers intend that the Secretary, acting through the Chief of the Forest Service, should establish a new office in the Forest Service to comply with the requirements of this provision, and assign the duties of this office to a new Deputy Chief, not simply assign these new duties to an existing office or line officer. Activities of the Office of International Forestry in other countries shall be carried out after consultation and coordination with the Secretary of State and the Administrator of the Agency for International Development.

Line Item

The Conference substitute provides that the President's proposed budget to Congress shall specifically identify funds to be spent on Forest Service international cooperation and assistance.

TITLE XXV—OTHER RELATED PROVISIONS

Outreach and assistance for socially disadvantaged farmers

(1) Short title

The Senate bill provides that this subtitle be cited as "The Minority Farmers Rights Act of 1990." (Sec. 1981)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

(2) Findings, policies and purposes

The Senate bill details the concerns and intentions of Congress in enacting these provisions to assist minorities in landownership and farming (Sec. 1982).

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

The Managers note that the number of socially disadvantaged farmers has declined at an increasing rate as a result of limited educational opportunities and other related factors. Racial and ethnic diversity in the ownership of agricultural land and cultural diversity in the composition of the family farm population, agricultural communities, and rural population are important and beneficial to the United States. Therefore, the Managers believe that diversified ownership of agricultural land and farm operations throughout the United States should be encouraged.

(3) Definitions

The Senate bill defines the terms necessary for implementation of these provisions (Sec. 1983).

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

(4) Duties of the Secretary

The Senate bill provides that the Secretary shall establish programs and policies to carry out the objectives of this subtitle, and that the Undersecretary of Small Community and Rural Development shall be responsible for implementing such policies and programs.

Such activities shall include procedures: to identify, halt and prevent discrimination of minority farmers by any employee of USDA; to increase opportunities for minorities to become agricultural producers and farm ownership; and to reverse contraction of the minority agricultural landbase.

The Secretary is instructed to increase the duties, staff and budget of the Office of Advocacy and Enterprise (Office), as funds are available, to carry out policies and programs under this subtitle. (Sec. 1984)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

The Managers note that the Secretary should establish policies and programs to address the needs of socially disadvantaged farmers. Such policies and programs should include encouraging socially disadvantaged individuals to become agricultural producers and farm and ranch landowners.

(5) Outreach, education and assistance for socially disadvantaged farmers

The Senate bill amends section 623 of the Agricultural Credit Act of 1987 to provide for outreach education and technical assistance to encourage and assist minority farmers in land ownership and farming.

The bill authorizes the Secretary and the Director of the Office to provide grants, contracts and other agreements to community based organizations and post-secondary education institutions for education, advocacy or other services to minority farmers. Half of the funds available under this program shall go to community-based organizations, and half to institutions of post-secondary education (priority shall be given to institutions historically serving minority farmers in the region in which the institutions are located.)

It also authorizes $50 million over five years to carry out these programs (Sec. 1985).

The House amendment requires the Secretary to provide outreach and technical assistance through the Office of Advocacy and Enterprise (Office) to encourage and assist socially disadvantaged farmers to participate in the programs established or authorized in the Act. Assistance includes information on application and bidding procedures and other essential information needed to participate in the programs.

It also authorizes the Secretary and the Director of the Office to make grants and enter into contracts and other agreements in the furtherance of the program's objectives subject to the following conditions: (1) Of the amounts appropriated to carry out the program, 50 percent of such amounts are to be available only for grants and contracts to community based organizations with demonstrated experience and commitment in providing education, advocacy, or other services to minority farmers. Such community based organizations must provide documentary evidence of—(A) their past experience and commitment of working with minority farmers during the two years preceding their application for assistance under section 1393; or (B) their ability and commitment to establish an organization to provide such services. (2) Of the amounts appropriated to carry out section 1393, 50 percent of such amounts will be available only for grants and contracts to institutions of postsecondary education, with a priority given to—(A) institutions eligible to receive 1890 Land-Grant Colleges including Tuskegee University; (B) Indian Tribal Community Colleges and Alaska Native Cooperative Colleges; (C) Hispanic Serving Institutions of Higher Education; and (D) other educational institutions with demonstrated experience in providing education, advocacy or other services to minority family farmers in their region.

Section 1393(c) requires the Director of the Office to submit an annual report to the Committees on Agriculture detailing on a State by State and county by county basis the rate of minority participation for each program under the Act.

Section 1393(c) further requires that each report required by section 1393(c) compare on a State by State and county by county basis the actual application rates, acceptance rates, and participation rates with the target participation rates established by the Secretary pursuant to section 355(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(a)(2)). The first report required by this section 1393(c) must be submitted not later than September 30, 1992.

The term "socially disadvantaged farmers" means those farmers who have been subjected to racial or ethnic prejudice, or cultural bias because of their identity as a member of a group without regard to their individual qualities. (Section 1393(d))

Section 1393(e) authorizes to be appropriated $10,000,000 for each fiscal year to carry out section 1393.

The Conference substitute adopts the House provision with an amendment. The amendment provides that the Secretary may make grants and enter into contracts to provide outreach and technical assistance for socially disadvantaged farmers to community-based organizations and postsecondary educational institutions.

The Managers expect the Department to utilize the enumerated organizations in conducting the outreach and assistance provided under this program. The Managers intend these funds to be divided between the postsecondary educational institutions and community-based organizations with demonstrated experience in providing agricultural education and other agricultural services to socially disadvantaged farmers and ranchers. Grants should be awarded on the basis of an organization's ability to deliver such agricultural services to socially disadvantaged farmers and ranchers and the need for such services within the community. The funds distributed under this section are to be utilized to provide agricultural services, including agricultural technical assistance, directly to socially disadvantaged farmers. The Managers note that these services should consist of assistance necessary for the successful and profitable operation of a farm. (Sec. 2501)

(6) Development of national minority farmer and land registry

The Senate bill requires the Secretary to develop and maintain a voluntary "National Minority Farmer and Land Registry." This registry shall list the names of all minority farmers in the United States, at their discretion, and the legal description of the acreage owned. Registration shall be available at each ASCS county office, and shall be maintained on a State-by-State, county-by-county basis.

The registry shall be used to identify and assist existing minority landowners, and to facilitate outreach to socially disadvantaged producers to encourage minority participation in agriculture. The Secretary shall publish the compiled registry no later than two years after enactment of this subtitle, and annual supplemental updates shall be compiled. This information shall be made available to the public (Sec. 1986).

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

(7) Preservation of minority agricultural land base

The Senate bill requires the Secretary, in consultation with Federal and state programs, private organizations and other interested parties, to take such steps as necessary and feasible to ensure that the minority agricultural landbase is not significantly reduced from such landbase as described in the initial publication of the National Minority Farmer and Land Registry. In pursuit of this, the Secretary shall administer and implement policies and programs to promote minority participation through education, outreach, technical assistance and targeted funding.

This section also requires the Secretary to implement a program to reverse the contraction of the minority agricultural landbase, including education, technical assistance, intra-agency coordination and other measures determined to be necessary by the Secretary.

This section also requires the Secretary to establish policies and procedures to encourage and assist "land banks" controlled by minority individuals. The Director of the Office of Advocacy and Enterprise shall implement these policies, and shall encourage and facilitate the participation of other federal and state agencies and private organizations in developing and operating such land banks (Sec. 1987).

The House amendment contains no comparable provision.

The Conference substitute rewrites the Senate provision to provide targeted direct operating loans to socially disadvantaged farmers through the Farmers Home Administration. It provides for the establishment of annual target participation rates, on a statewide basis, that shall ensure that socially disadvantaged farmers or ranchers will receive loans made or insured under subtitle B of the Consolidated Farm and Rural Development Act according to the percentage of socially disadvantaged farmers and ranchers in the state. If funding targeted for socially disadvantaged farmers and ranchers remains unused after a reasonable amount of time, such funds will remain for use within that state.

The Managers believe that fair access to governmental programs designed to assist the ownership and operation of family farms by members of socially disadvantaged groups is an important governmental objective. This legislation will serve as a positive move towards that objective at a minimal burden for others. (Sec. 2501)

(8) Minority participation rates in department programs

The Senate bill requires the Secretary to make funds available under the National Agricultural Research, Extension and Teaching Policy Act of 1977 to "1890's" colleges and other research institutions with minority enrollment of more than 50 percent, or to research projects specifically aimed at increasing minority farmer participation in agriculture. Community-based organizations with at least two years demonstrated experience in reaching minority constituencies may be eligible for research agreements under this program.

This section instructs the Secretary to assign and improve staff of the Agricultural Extension Service to implement the policies and programs under this subsection. The bill requires that specifically qualified individuals be assigned proportionately to counties based on participation goals for socially disadvantaged groups under section 355(a)(1) of the Consolidated Farm and Rural Development Act. The Secretary shall also develop and implement a plan to allocate a significant portion of Extension Services resources to increase and assist minority farmers. The Secretary shall also use qualified community based organizations to assist in carrying out this subsection.

The Secretary is further required to review minority participation in crop programs on a state-by-state, county-by-county basis. The review shall include a survey to identify reasons for participation and non-participation in crop programs; and other information on total crop base and payment yields for minority farmers, including how they compare to non-minority individuals. The review shall go through a public comment period. The findings of the review and the comments, along with recommendations to improve minority participation in crop programs, shall be published in a report to the Senate and House Agriculture Committees no later than September 30, 1991.

Subsection (2) of this section requires that county committees authorized under the Soil Conservation and Domestic Allotment Act shall provide notice through the local media to all minority farmers: of their eligibility for all farm programs not later than October 1 of each year; and when forfeited quotas and allotments become available under the Agricultural Adjustment Act of 1938 and how to apply for such quotas. The Director of the Office of Advocacy and Enterprise shall notify all participating community-based organizations by October 1 of each year of the terms and conditions of programs under this subsection.

The Secretary shall report of Congress bi-annually, beginning September 30, 1992, on departmental efforts to enhance minority participation, including specific participation goals, results, comparisons of funding for minority to nonminority farmers, and other purposes as described in the subsection. (Sec. 1988)

The House amendment contains no comparable provision.

The Conference substitute rewrites the Senate provision to direct the Secretary to designate from existing federal personnel resources in the county or region a qualified person who shall implement the programs and policies established under this section. The substitute also includes a biannual report to Congress on departmental efforts to enhance minority participation and minority participation rates in farm programs. (Sec. 2501)

(9) Minority youth and minority first-time farmers

The Senate bill requires the Secretary to set up a comprehensive program to attract, assist and encourage minority first-time farmers in production agriculture, and minority youth in production agriculture, related agricultural industries and rural development. This program shall include demonstration programs. The Secretary may contract with 1890's colleges and Tuskegee University community-based organizations, or others, as appropriate, to carry out these programs.

This section authorizes $60 million to be appropriated over the next five years for these purposes. (Sec. 1989)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

The Managers note that the Secretary should encourage minority first-time farmers and minority youth to become involved in production agriculture, related agricultural industries and rural development.

(10) Affirmative action, appeals and contracting review

The Senate bill directs the Secretary to analyze and report on the design and implementation of affirmative action programs and policies, the appeals process for complaints of discrimination, and contracting and purchasing practices employed by the Department. This report shall be concluded one year after enactment of this Act. (Sec. 1990)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision. (Sec. 2501)

(11) Analysis by the General Accounting Office

The Senate bill requires the GAO to conduct a review of the progress and efforts by the Department in achieving the goals of this Act and of other farm programs administered by the Department to assist socially disadvantaged farmers. (Sec. 1991)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

(12) Effective date

The Senate bill sets the effective date for this subtitle and amendments made by this subtitle as October 1, 1990. (Sec. 1992)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

(13) Confidentiality of Information

The Senate bill provides that the Secretary must ensure that data provided by a particular respondent is not discernable or identifiable. "Respondent" replaces "person" and means any individual, business establishment, group, association, State or local agency or instrumentality, or other entity. The Senate bill also provides that nothing in the section is to affect the availability of such information under State or local law. (Sec. 1971)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

(14) Budget reconciliation instructions (S1978)

The Senate bill expresses the sense of the Senate that Congress shall comply with provisions of a budget summit agreement for fiscal years 1991-95 that would reduce budget authority and outlays for agricultural programs. The provisions also state that the budget process unfairly penalizes producers of commodities supported primarily by the Treasury relative to producers supported primarily by consumers. Whatever outlay reductions required by the budget process should be shared equitably between producers of such commodities. (Sec. 1978)

The House amendment expresses the sense of the Congress that future spending reductions affecting commodity programs should be made on a targeted basis to protect support prices for the amount of commodities produced by family-sized farms. (Sec. 1121)

The Conference substitute deletes both the House and Senate provisions.

(15) Pet Protection

The Senate bill amends the Animal Welfare Act to prohibit dealers from obtaining dogs and cats at auctions in order to: prevent people from stealing animals to sell at auctions; require additional recordkeeping by dealers to ensure that animals are obtained from legal sources; extend the holding period at pounds at least five days including a Saturday to ensure sufficient time and opportunity for adoption or recovery; requires notification of persons that dogs and cats obtained by dealers may be used for research or educational purposes; and establish fines of $1,000 per dog or cat acquired or sold in violation of the law for first time offenders and $5,000 per animal for second time offenders; and permanent license revocation for third time offenders. (Sec. 1481)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment that removes the restriction of sources of animals, deletes the requirement that pets be held for at least a Saturday and adds new language regarding injunctive relief. The Managers note that most pet adoption occurs on Saturdays when people have the time to search for pets. The Managers direct the Secretary to urge pounds, shelters, and other entities holding dogs and cats to keep animals for at least one Saturday in order to provide individuals a reasonable opportunity to recover lost pets or to adopt new pets. (Sec. 2503)

(16) Control and eradication of plant pests (H1831)

The House amendment amends the Organic Act of 1944 by authorizing the Secretary to cooperate with the governments of all foreign countries in the control and eradication of plant pests. (Sec. 1831)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision. (Sec. 2504)

(17) Cooperation in animal disease control

The House amendment amends section 11 of the Act of May 29, 1884 (21 U.S.C. 114b) to authorize cooperation with the Governments of all foreign countries and foreign or international organizations. (Sec. 1832)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision. (Sec. 2505)

(18) Pseudorabies

The Senate bill requires the Secretary to carry out a program for the eradication of pseudorabies in swine populations. The Secretary is required to provide that not less than 65 percent of the funds appropriated for any animal or plant disease or pest eradication or control program be used for eradication or control activities. Such sums as may be necessary are authorized to be appropriated for this program. (Sec. 1497B)

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment limiting the requirement on fund distribution for pseudorabies eradication programs so as to not adversely affect any other plant disease or pest eradication or control program. (Sec. 2506)

(19) Regulation governing inspection of imported poultry (S1979)

The Senate bill expresses the Senate determination that the regulation promulgated by the Food Safety and Inspection Service (FSIS) with respect to poultry products offered for importation into the United States (allowing certification of a foreign inspection system that imposes requirements that are merely at least equal to those applicable in the U.S.) does not reflect the intent of the Congress. The Senate urges FSIS to repeal the October 30, 1989 regulation and promulgate a new regulation reflecting the intention of the Congress that imported poultry be subject to the same inspection, sanitary, quality, species verification, and residue standards applied to U.S. products, and that imported poultry is processed in facilities and under conditions that are the same as those under which similar U.S. products are processed. (Sec. 1979)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment providing that the section is an expression of the determination of the Congress. The Managers understand and appreciate that technical requirements might differ in other countries because of custom, practicality, or compelling local needs, and the Secretary should have the flexibility to accept as being in compliance with United States requirements those technical deviations that can be justified. For example, the color of dye used for identifying condemned products or the materials used for knives and other slaughter and processing implements would be of little consequence to the ultimate food safety objective, and, if different as between the United States and a country seeking export certification, should not interfere with such certification. The fundamental inspection system, intensity, procedures, and food safety standards, however, should be the same as those prevalent in the United States for any such country to be certified for export to the United States. (Sec. 2507)

(20) Additional inspection services

The Senate bill authorizes the Secretary to enter into agreements with operators or owners of vessels to provide inspection services at ocean ports in addition to the regular or on-call basis currently available in connection with such ships. Such inspections should carry out regulations to prohibit or restrict the entry of materials that may harbor pests or diseases. The operator or owner shall pay the Secretary the amount necessary to defray the costs of the service. (Sec. 1952)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to provide that the Secretary may enter into contracts with operators of aircraft for inspection services and to provide that contracts are to be for services at points of entry in the United States. (Sec. 2508)

(21) Collection of fees for inspection services. (S1951)

The Senate bill authorizes the Secretary of Agriculture to prescribe and collect fees for additional inspection services.

Section 1951(a) provides for the collection of fees to cover the cost of providing agricultural quarantine and inspection services in connection with the arrival at a U.S. port or the pre-clearance or preinspection site outside the United States of commercial vessels, aircraft, trucks or railroad cars. An Agricultural Quarantine Inspection User Fee Account is established for deposit of the fees and to reimburse appropriations for the services. Fees shall be remitted to the Treasury within 31 days, and Treasury will reimburse the Account quarterly. The Secretary shall adjust the amount of fees to reflect the cost of administering the services and maintaining a reasonable balance in the Account.

Section 1951(b) amends section 102(f) of the Act of September 21, 1944 to authorize such sums as may be necessary to carry out plant inspection. Authorizes the Secretary to prescribe and collect fees to recover the costs of providing for the inspection and certification of plants and plant products offered for export from or transit through the United States. All fees, late payments and accrued interest shall be credited to such accounts that incur the costs and remain available until expended. The Secretary is authorized to have a lien for the fees, late payment penalties or accrued interest on the plant or plant product then exported or against plants thereafter attempted to be exported by such person. The Secretary may sell such plant or plant product at public sale after reasonable public notice if full payment is not made. Excess proceeds from such sale shall be paid to the owner within 6 months.

Section 1951(c) provides that the Secretary may prescribe and collect fees to reimburse the Secretary for the costs of animal quarantine laws related to importing, entry and export of animals, articles, or means of conveyance. This section also amends section 11 of the Act of May 29, 1884 to authorize the Secretary to prescribe and collect fees to recover the costs of carrying out the provisions related to veterinary diagnostics. The Secretary shall assess late payment penalties and collect accrued interest, and credit those amounts to the accounts that incur the costs. The Secretary is authorized to have a lien for the fees, late payment penalties or accrued interest on the animal, article, means of conveyance, or facility for which services have been provided. Such lien may extend to any such products thereafter attempted to be exported by such person. The Secretary may sell such plant or plant product at public sale after reasonable public notice if full payment is not made. Excess proceeds from such sale shall be paid to the owner within 6 months.

The district courts of the United States or other U.S. court where such person is found or resides or transacts business shall have jurisdiction to hear an action to recover the fees, penalties and interest. Definitions include "person", "vessel", "customs territory", "animal quarantine laws", and "United States". Penalties shall be assessed as provided in section 3717 of title 31 of the United States Code. Such penalties and interest shall be accrued to the accounts that incur the costs and remain available until expended. (Sec. 1951)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision (Sec. 2509).

(22) Investment of certain fees for reports, publications, and software (S 1963)

The Senate bill amends section 1121 of the Agriculture and Food Act of 1981 to provide that any fees collected, late payment penalties and interest earned may be invested by the Secretary of the Treasury in public debt securities, bearing interest at rates determined by the Secretary of the Treasury. Such investments must be requested by the Secretary of Agriculture, who will also determine the maturities of the investments. Fees and charges, including penalties and interest earned from the investment of such funds shall be credited to the account that incurs such costs (Sec. 1963).

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to provide that investments may be made by the Secretary of Agriculture in insured or fully-collateralized interest bearing accounts or, at the discretion of the Secretary of Agriculture, by the Secretary of the Treasury in U.S. Government debt instruments. (Sec. 2510)

(23) Investment of certain fees—Tobacco Adjustment Act of 1983 (S 1962)

The Senate bill amends section 213(d) of the Tobacco Adjustment Act of 1983 to provide that any fees collected, late payment penalties and interest earned may be invested by the Secretary of the Treasury in public debt securities, bearing interest at rates determined by the Secretary of the Treasury. Such investments must be requested by the Secretary of Agriculture, who will also determine the maturities of the investments. Fees and charges, including penalties and interest earned from the investment of such funds shall be credited to the account referred to in the Act (Sec. 1962).

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to provide that investments may be made by the Secretary of Agriculture in insured or fully-collateralized interest bearing accounts or, at the discretion of the Secretary of Agriculture, by the Secretary of the Treasury in U.S. Government debt instruments (Sec. 2511).

(24) Improving the accuracy of commodity program budget forecasts (H 1847)

The House amendment provides that the Congress finds that, to improve the accuracy of commodity program benefit forecasts, the Secretary should designate a single organization to manage its commodity program forecasting and establish a quality control program to—(1) systematically identify the source of forecasting errors; (2) maintain records of data used for supply and demand forecasts; (3) document its forecasting methods; and (4) correct weaknesses in its various forecasting components (Sec. 1847).

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment to include a provision requiring the Secretary to publish a report each year analyzing the return on assets resulting from the production of specified commodities which are subject to government price support programs. (Sec. 2512)

(25) Accurate trucking of costs of commodity certificate program (H 1846)

The House amendment provides that Congress finds that, to ensure proper congressional scrutiny of commodities certificate costs, the USDA should develop a new set of budget terms and totals that include commodity certificates in the budget totals submitted by the Administration to the Congress (Sec. 1846).

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provisions.

The Managers are concerned with the failure of the Department of Agriculture to include the issuance of commodity certificates in the Department's totals submitted with the Administration's budget documents. The General Accounting Office has recommended that Congress require the Administration to include the issuance of certificates in budget totals reviewed by the Congress. The Managers intend that, to ensure proper Congressional scrutiny of commodities certificate costs, the Department should develop a new set of budget terms and totals that include commodity certificates in the budget totals submitted by the Administration to the Congress.

(26) Farm value of agricultural products (H1852)

The House amendment requires the Secretary to provide by rule a system for informing the ultimate consumer of an agricultural commodity or a product thereof, whether produced inside or outside of the United States, of the approximate amount of money (in terms of United States currency) paid the agricultural producer for that commodity, or each commodity contained in that product.

It requires the Secretary to annually report to the Committees on Agriculture, by type of commodity or product, a summary of the information required to be made available to the consumer under subsection (a). The Secretary may by rule require the submission of such data from such persons as is necessary to enable the Secretary to carry out section 1852(b). The Secretary must provide for the timely publication and wide distribution of such reports. (Section 1852)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment limiting the number of items for which the Secretary must develop a system for regarding the farm value of agricultural commodities in products which are for human consumption, and requiring an annual report to Congress on this information.

By limiting the number of agricultural commodities for which commodities contained in products for human consumption, under the Agricultural Act of 1949, and those other commodities which the Secretary determines are of dietary significance, the Secretary will be able to develop this system in a reasonable period of time. Targeting the development of this system which can be used for other agricultural commodities should Congress decide such a system is useful for those commodities. The Secretary of Agriculture may also consult with such persons as deemed appropriate to develop this system.

Currently, the U.S. Department of Agriculture receives information regarding the prices farmers received for certain items contained in a survey conducted by the Bureau of Labor Statistics. This market basket approach does not necessarily cover items which are of direct interest to Congress, and with the adoption of this amendment, the U.S. Department of Agriculture will begin to collect its own statistics which should be available for review by Congress. Should Congress desire particular information on certain agricultural commodity products, the Department will be able to respond quickly to those requests with a system in place to develop statistics on the amount a farmer received for a particular food item. Further, the Conferees envision that this information will be useful in educating consumers regarding the effect of reductions on agricultural prices in the marketplace. By providing consumers with accurate information regarding farm costs in various products, consumers will gain an understanding of the role of farm costs in pricing decisions they may make at the supermarket. (Sec. 2513)

(27) Monthly crop reports

The House amendment repeals 7 U.S.C. 411a. It requires the Secretary to gather from producers a crop report to be printed and distributed on or before the twelfth day of each month during the growing season. The reports must contain statements of the conditions of crops by States, with such explanations, comparisons, and information as may be useful for illustrating such reports. Additionally, the Secretary must survey producers for information for reports regarding supply, acreage, production, disposition, and prices for the following commodities as determined by the Secretary: (A) fresh market vegetables; (B) processing vegetables; (C) fruits and nuts; (D) forage and turf seeds; (E) vegetable seeds; and (F) maple syrup.

The Secretary must conduct and report the results of the such surveys at least annually in such States as determined by the Secretary. The Secretary must survey producers for information for reports regarding fruit and nut tree inventories. Such surveys and reports must be conducted, printed, and distributed on a regular basis every three to five years as determined by the Secretary. All reports must be officially approved by the Secretary before being issued or published. (Sec. 1854)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment to provide that data collected is to be used to develop crop reports to be distributed by the Secretary during the growing season. Special reports are to be prepared for: 25 fresh market vegetables; 3 processing vegetables; 6 fruits and nuts; 17 forage and turf seeds; 50 vegetable seeds; and maple syrup. The section authorizes appropriations to cover the costs of preparation and distribution (Sec. 2514).

(28) Scarce federal resources (S1980)

The Senate bill provides that the Secretary may, after concurrence with the Chairmen and Ranking Members of the Agriculture Committees, prioritize the studies or reports authorized by this Act and determine which of those studies or reports shall be completed. The Secretary must complete at least 12 such studies or reports (Sec. 1980).

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision (Sec. 2515).

(29) Reporting and Recordkeeping improvement

The Senate bill contains two related provisions which, in general, require the Secretary to implement a program designed to minimize the amount of paperwork and recordkeeping required of participants in commodity, conservation, and other agricultural programs administered by the Department of Agriculture. Both provisions also direct the Secretary to examine the feasibility of assisting in paperwork and recordkeeping reductions by making available to producers a computer network or system which would allow for the electronic filing and processing of all or a portion of the various program-related applications and reports required of agricultural producers. (Secs. 1972 and 1977)

The House amendment contains similar provisions, and specifically requires the Secretary to take appropriate action to integrate the various data bases within USDA relating to agricultural program data and to devise a system of the sharing of such information among the Department of Agriculture's various agencies. (Sec. 1855)

The Conference substitute adopts the House provision, with amendments providing the Secretary with discretionary authority to retain the services of outside consultants with experience and expertise in computer network design, function, installations and maintenance, and data base management systems.

The Managers are aware that the Department of Agriculture and its various agencies currently have a multi-billion dollar investment in computer equipment and software, with additional acquisitions projected in the long-term budget. Even with this significant investment, however, it is currently impossible for agencies within the Department to share common producer-related data and information among themselves in a manner which could eliminate or greatly reduce producers' paperwork burdens which requires them to manually complete and file repetitive information on numerous applications and reports required for program participation. Modernization, networking, and programming which utilizes the full capacity of the Department's computer technology can reduce its administrative overhead costs, can increase producer productivity, and can vastly improve farm management, farm productivity, and forming practices in the future.

A computerized system which can be accessed by farm producers is contemplated by the Trade and Research titles of the bill. The National Agricultural Weather Information System it establishes will be more effective if individual producers can obtain electronically, more precise and timely climatological data which will be developed under that program. Producers can lower their input costs, improve their profits, and protect the environment by more precise timing of fertilizer and farm chemical applications during periods of optimum weather conditions.

Another provision of the bill envisions the utilization of a computerized network to improve the efficiency of transporting farm goods and commodities to domestic markets and foreign buyers. By using the same network which would allow them to dramatically reduce the volume of paperwork, it is anticipated that farm producers will be able to eliminate costly transportation delays by matching carrier equipment capability and availability to their shipping needs.

The Managers emphasize the importance and urgency of developing and implementing a program within the Department which will allow America's farm producers to more fully benefit from the current state of computer technology. It is strongly suggested that in studying and reporting on the feasibility of a national agricultural computer network, the Secretary take cognizance of the other related topic areas in agricultural weather and transportation coordination, and that these areas be included in any recommendations he may subsequently make to the Congress regarding the structure of the computer network. (Sec. 2516)

(30) Study of the transportation of fertilizer and agricultural chemicals to farmers

The House amendment requires the Secretary of Agriculture, acting through the Office of Transportation of the Department of Agriculture, to study the transportation of fertilizer, agricultural crop protection chemicals, and agricultural use hazardous materials such as fuel, to the farm. The Secretary must report with his findings not later than 18 months from the date of enactment. The provision would authorize the appropriation of $75,000 for the Secretary to conduct the study. (Sec. 1387)

The Senate bill contains no similar provision.

The Conference substitute adopts the House provision with an amendment removing the provision which requires that the study be carried out through the Office of Transportation. (Sec. 2517)

(31) Severability

The Senate bill contains no similar provision.

The House amendment contains no similar provision.

The Conference substitute includes a section to declare that if any provision of this Act or the application thereof to any person or circumstance is held invalid, such a holding shall not affect other provisions or applications of this Act. (Sec. 2519)

(32) Consumer savings pass-through study (H 1851)

The House amendment requires the Secretary to establish by regulation a system to measure the extent to which any reduction in the prices of agricultural commodities or products thereof are passed through to the ultimate consumer. The Secretary must report annually to the Committees on Agriculture on the results of such measurements and must publish such results in the Federal Register. To the extent that the Secretary finds that any such price reductions are passed through in an article containing the agricultural commodity or product thereof as savings to the ultimate consumer, the Secretary must publish the names of any such article, the amount of savings that were passed through to the ultimate consumer, and the seller or manufacturer of the article. Prior to publishing such information in the Federal Register, the Secretary must require a certification from the seller or manufacturer of such article that savings were intended and actually passed through to the ultimate consumer. (Sec. 1851)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision. The Managers agree that the Department of Agriculture must, prior to making claims that cuts in agricultural programs lead to savings for American consumers in their purchases, provide sufficient documentation and specific examples relative to particular commodities establishing that consumers do indeed benefit from reductions in prices paid to farmers. Undocumented claims that consumers automatically benefit from reduction in farm prices have led to much unwarranted friction between consumer groups and agricultural producers in previous farm legislation considered by Congress. Much of this can be attributed to misleading information which is plainly not established by the reality of the marketplace. Rather than encouraging consumers to believe that they somehow automatically benefit from reduction in agricultural prices, the U.S. Department of Agriculture should provide information to Congress establishing this benefit, and should refrain from statements which cannot be backed by clear, concrete examples with respect to the particular commodity the Department is discussing.

(33) Study of the concentration of the meat packing industry

The House amendment requires the Comptroller General, in consultation with the Secretary, to conduct a study regarding vertical and horizontal concentration in the meat packing industry for submission to the Committees on Agriculture. In conducting the study the Comptroller General must consider the impact, both short and long term, of concentration on farm income of livestock producers, on prices paid by consumers for meat and poultry products on economic development in agricultural areas, the extent and nature of packer contracting and the pricing arrangements that are typical of packer contracting, including any evidence of price premiums or discounts and the justification of such premiums or discounts, as well as other pertinent issues.

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision. The Managers are aware that the Comptroller General is currently undertaking a survey of the economic impact of the increasing concentration in the beef packing industry. The study is to focus on a number of issues. Those include the impact of concentration and of increased vertical integration in the packing and feeding industry and its effect on cattle prices and small producer income. The Managers hope to see the scope of the survey broadened to inlude pork, lamb, and poultry.

(34) Buy America provisions (H1856)

The House amendment expresses the sense of Congress that a recipient of Federal farm assistance should, in expending that assistance, purchase American-made equipment and products. Requires the Secretary to provide procedures to inform such recipients of the sense of Congress. (Sec. 1856)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(35) USDA Office of Transportation

The Senate bill expresses the sense of Congress that the Department of Agriculture's Office of Transportation should continue as an independent office and take the lead in agricultural transportation issues and assist in ensuring the availability of grain rail cars. (Sec. 1948)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

E DE LA GARZA,
GEORGE E. BROWN, Jr.,
CHARLIE ROSE,
GLENN ENGLISH,
JERRY HUCKABY,
DAN GLICKMAN,
CHARLIE STENHOLM,
HAROLD L. VOLKMER,
CHARLES HATCHER,
LEON E. PANETTA,

Mr. Panetta for subtitle G of title XII, title XIV (except sec. 1414 and subtitles C and D), and title XVII of the House amendment, and title XVII (except sec. 1730), subtitle I of title XIX, sec. 1973, subtitle G of title XXI, and title XXIV of the Senate bill,

RICHARD STALLINGS,

Mr. Stallings in lieu of Mr. Panetta for titles II, XXVIII, and XXIX of the House amendment and title IX, title XIII (except sec. 1303), and subtitle B of title XX of the Senate bill,

JIM OLIN,

Mr. Olin in lieu of Mr. Panetta, for title IV, title XIII (except for subtitle H), subtitle D of title XIV, and sec. 1843 of the House amendment and title I, sec. 1283, title XIV (except sec. 1496), and title XVI of the Senate bill,

TIM JOHNSON,

Mr. Johnson of South Dakota in lieu of Mr. Panetta for title V (except sec. 502) and subtitle A of title VI of the House amendment and title II and subtitle C of title X of the Senate bill,

JILL L. LONG,

Ms. Long in lieu of Mr. Panetta for title X, title XI (except sec. 1109), and subtitle A of title VII of the House amendment, and for title IV, title VIII, title X (except subtitle C), sec. 301 (insofar as it adds a new sec. 107A(e)(4)(E) to the Agricultural Act of 1949), sec. 501 (insofar as it adds a new sec. 103A(e)(4)(D) to the Agricultural Act of 1949), and sec. 601 (insofar as it adds a new sec. 101A(e)(4)(D) to the Agricultural Act of 1949),

ROY DYSON,

Mr. Dyson in lieu of Mr. Panetta for sec. 502, subtitle B of title VI, subtitle B of title VII, sec. 1414, subtitle C of title XIV, and sec. 1841 of the House amendment, and title XXI (except subtitle G) and sec. 1730 of the Senate bill,

H. MARTIN LANCASTER,

Mr. Lancaster in lieu of Mr. Panetta for title VIII of the House amendment and title VII of the Senate bill,

JIM JONTZ,

Mr. Jontz in lieu of Mr. Panetta for subtitle A of title XVII, and sec. 1508 of the House amendment, and subtitle B of title XIX and title XVIII of the Senate bill,

GARY CONDIT,

Mr. Condit in lieu of Mr. Panetta for sec. 1109, title XII (except subtitle G), and sec. 1833 of the House amendment and title XI (except subtitle E), sec. 1551, and title XXIII of the Senate bill,

Claude Harris,

Mr. Harris in lieu of Mr. Panetta for title XV (except for sec. 1508) and title XXVII of the House amendment and title XV (except sec. 1551) of the Senate bill,

Mike Espy,

Mr. Espy in lieu of Mr. Panetta for title III of the House amendment, and title VI (except new sec. 101A(e)(4)(D) of the Agricultural Act of 1949, as added by sec. 601), and subtitle K of title XIX of the Senate bill,

Bill Sarpalius,

Mr. Sarpalius in lieu of Mr. Panetta for titles I, IX, and XXX of the House amendment and title III (except new sec. 107A(e)(4)(E) of the Agricultural Act of 1949, as added by sec. 301), title V (except new sec. 103A(e)(4)(D) of the Agricultural Act of 1949, as added by sec. 501), and subtitle E of title XI of the Senate bill,

Timothy J. Penny,

Mr. Penny in lieu of Mr. Panetta for title XVI, sec. 1844, and subtitle H of title XIII of the House amendment, and title XII (except sec. 1283), sec. 1303, and subtitle A of title XIX of the Senate bill,

Robin Tallon,

Mr. Tallon in lieu of Mr. Panetta for titles XIX, XXII, XXIII, XXIV, and XXVI, and sec. 1857 of the House amendment, and title XX (except subtitles A, B, and F), and title XXII of the Senate bill,

Harley O. Staggers, Jr.,

Mr. Staggers in lieu of Mr. Panetta for title XVIII (except subtitle A, secs. 1833, 1841, 1843, 1844, and 1857), title XX, and title XXI of the House amendment and sec. 1496, subtitle H and J (except sec. 1973) of title XIX, and subtitles A and F of title XX of the Senate bill,

Bob Wise,

Mr. Wise in lieu of Mr. Panetta for title XXV of the House amendment,

Edward Madigan,
Tom Coleman,
Ron Marlenee,
Arlan Stangeland,
Larry J. Hopkins,
Pat Roberts,
Bill Emerson,

Mr. Emerson in lieu of Mr. Marlenee on sec. 502, title XIV, title XVII and sec. 1841 in lieu of Mr. Hopkins for subtitle B of title VII and subtitle B of title VI of the House amendment and subtitles A and B of title XVII, sec. 1730, subtitle I of title XIX, sec. 1973, subtitle G of title XXI and title XXIV of the Senate bill,

Sid Morrison,

Mr. Morrison in lieu of Mr. Hopkins on titles XV and XXVII of the House amendment and title XV (except sec. 1551) and subtitle B of title XIX of the Senate bill, STEVE GUNDERSON,

Mr. Gunderson in lieu of Mr. Marlenee on titles IV, V (except sec. 502), title VI (except subtitle B) of the House amendment and titles I and II and subtitle C of title X of the Senate bill,

R.F. SMITH,

Mr. Smith of Oregon in lieu of Mr. Hopkins on title IX and title XI (except sec. 1109) of the House amendment and title III, title X (except subtitle C) and sec. 301 (insofar as it adds a new sec. 107A(e)(4)(E) to the Agricultural Act of 1949), sec. 501 (insofar as it adds a new sec. 103A(e)(4)(D) to the Agricultural Act of 1949), and sec. 601 (insofar as it adds a new sec. 101A(e)(4)(D) to the Agricultural Act of 1949) of the Senate bill,

TOM LEWIS,

Mr. Lewis of Florida in lieu of Mr. Marlenee on title II of the House amendment and title IX of the Senate bill,

LARRY COMBEST,

Mr. Combest in lieu of Mr. Marlenee on title I of the House amendment and title V (except new sec. 103A(e)(4)(D) of the Agricultural Act of 1949, as added by sec. 501) of the Senate bill,

BILL SCHUETTE,

Mr. Schuette in lieu of Mr. Hopkins on subtitle A of title XVIII of the House amendment and title XVIII of the Senate bill,

FRED GRANDY,

Mr. Grandy in lieu of Mr. Hopkins on title X and in lieu of Mr. Marlenee on titles XVI and XXIX and sec. 1857 of the House amendment and title IV, title XII and title XIII of the Senate bill,

WALLY HERGER,

Mr. Herger in lieu of Mr. Marlenee on sec. 1109 and title XII except for subtitle G of the House amendment and title XI (except subtitle E), title XIII and sec. 1551 of the Senate bill,

CLYDE C. HOLLOWAY,

Mr. Holloway in lieu of Mr. Hopkins on title III of the House amendment and title VI except sec. 601 (insofar as it adds a new sec. 101A(e)(4)(D) to the Agricultural Act of 1949) of the Senate bill,

JAMES T. WALSH,

Mr. Walsh in lieu of Mr. Hopkins on title XVIII except subtitle A of the House amendment and subtitle H (except sec. 1962), subtitle J (except sec. 1973), and subtitle K of title XIX of the Senate bill,

BILL GRANT,

Mr. Grant in lieu of Mr. Marlenee on title VIII of bill House amendment and title VII of the Senate bill,

R.F. SMITH,

Mr. Robert F. Smith is appointed in lieu of Mr. Marlenee for title XII of the Senate bill and title XVI of the House amendment,

SID MORRISON,

Mr. Morrison of Washington is appointed in lieu of Mr. Marlenee for title XIII of the Senate bill and title XXIX of the House amendment,

FRED GRANDY,

Mr. Grandy is appointed in lieu of Mr. Hopkins for all provisions except title VII and sec. 1962 of the Senate bill, and title VIII and sec. 1249 of the House amendment, on which Mr. Hopkins will remain a conferee, and Mr. Lewis of Florida is appointed in lieu of Mr. Hopkins for subtitle A of title XVII of the Senate bill and title XIV of the House amendment,

From the Committee on Foreign Affairs, for consideration of titles XI (except secs. 1124, 1125, 1134, 1137, and subtitle E), XXIII (except sec. 2306), secs. 114, 1423, 1551, 1751–60, 1763, and 1765 of the Senate bill, and title XII (except secs. 1241 and 1243–46) and secs. 415, 1312(a), and 1833 of the House amendment, and modifications committed to conference:

DANTE B. FASCELL,
LEE H. HAMILTON,
GUS YATRON,
STEPHEN J. SOLARZ,
HOWARD WOLPE,
GEO. W. CROCKETT, Jr.,
SAM GEJDENSON,
MERVYN M. DYMALLY,
PETER H. KOSTMAYER,
WM. S. BROOMFIELD,
BEN GILMAN,
JIM LEACH,
TOBY ROTH,
DOUGH BEREUTER,

From the committee on Foreign Affairs, for consideration of subtitle E of title XI, secs. 1931–35 and 1937–39 of the Senate bill, and title XXX of the House amendment, and modifications committed to conference:

DANTE B. FASCELL,
LEE H. HAMILTON,
GUS YATRON,
SAM GEJDENSON,
WM. S. BROOMFIELD,
TOBY ROTH,

From the Committee on Merchant Marine and Fisheries, for consideration of subtitle E of title XI of the Senate bill, and title XXX of the House amendment, and modifications committed to conference:

WALTER B. JONES,
GERRY E. STUDDS,
CARROLL HUBBARD,
BILLY TAUZIN,
DENNIS M. HERTEL,
WILLIAM O. LIPINSKI,
BOB DAVIS,
DON YOUNG,

Norman F. Lent,
Jack Fields,

From the Committee on Merchant Marine and Fisheries, for consideration of secs. 1238, 1286, and 1422 of the Senate bill, and secs. 1314 and 1602 of the House amendment, and modifications committed to conference:

Walter B. Jones,
Gerry E. Studds,
Dennis M. Hertel,
Bob Davis,
Don Young,

From the Committee on Ways and Means, for consideration of sec. 902, those portions of sec. 1121 adding new secs. 101(5), 103(5), 113(c)(2), 114, 204(c)(2)(B), 404.05, 503(b)(3), 504, and 601 (c) and (f) to the Agricultural Trade Act of 1978, secs. 1122, 1124–25, 1137, 1716(c), that portion of sec. 2123 adding a new sec. 7A(e) to the Cotton Research and Promotion Act, secs. 2140, 2155(g), 2178, 2188, 2203 2306, 2452, and 2454 of the Senate bill, and sec. 614, those portions of sec. 1221 adding new secs. 101(4), 105(a), 106, 402(c) and (f) to the Agricultural Trade Act of 1978, secs. 1223(i), 1241, 1243, 1245–47, 1428, 1445(g), 1468, 1475(3), 1485(d) and 1494 of the House amendment, and modifications committed to conference:

Dan Rostenkowski,
Sam Gibbons,
Ed Jenkins,
Bill Archer,
Phil Crane,
Andrew Jacobs, Jr. (except, that, for consideration of secs. 2203, 2452, and 2454 of the Senate bill, Mr. Jacobs is appointed in lieu of Mr. Jenkins),

From the Committee on Ways and Means, for consideration of secs. 1134, 1721, and 1730A of the Senate bill, and modifications committed to conference:

Dan Rostenkowski,
Sam Gibbons,
J.J. Pickle,
Ed Jenkins,
Tom Downey,
Donald J. Pease,
Marty Russo,
Frank J. Guarini,
Robert T. Matsui,
Beryl Anthony, Jr.,
Bill Archer,
Guy Vander Jagt,
Philip M. Crane,
Bill Frenzel,
Richard T. Schulze,
W.M. Thomas,

From the Committee on Energy and Commerce, for consideration of secs. 1761 and 1762 of the Senate bill, and modifications committed to conference:

John D. Dingell,
Jim Scheuer,
Ron Wyden,
Terry L. Bruce,
J. Roy Rowland,
Ralph M. Hall,
Dennis E. Eckart,
Norman F. Lent,
Bill Dannemeyer,
Bob Whittaker,
Tom Tauke,
Tom Bliley,
Jack Fields,

From the Committee on Energy and Commerce, for consideration of secs. 1495, 1497, and 1498J–L of the Senate bill, and modifications committed to conference:

John D. Dingell,
J. Roy Rowland,
Norman F. Lent,
Tom Tauke,

From the Committee on Energy and Commerce, for consideration of sec. 1437 of the Senate bill, and sec. 1367(b) of the House amendment, and modifications committed to conference:

John D. Dingell,
Dennis E. Eckart,
Norman F. Lent,
Tom Tauke,

From the Committee on Energy and Commerce, for consideration of title XVI (except secs. 1615–16, 1620 (b), (c), (d), and (f)) and sec. 1716 of the Senate bill, and secs. 1495J–95L, 1495M (a), (e) and (g) and 1495N–95V of the House amendment, and modifications committed to conference:

John D. Dingell,
Terry L. Bruce,
Norman F. Lent,
Tom Tauke,

From the Committee on Energy and Commerce, for consideration of subtitle C of title XVII of the Senate bill, and modifications committed to conference:

John D. Dingell,
Ron Wyden,
Norman F. Lent,
Tom Bliley,

From the Committee on Energy and Commerce, for consideration of sec. 1773 of the Senate bill, and modifications committed to conference:

John D. Dingell,
J. Roy Rowland,
Norman F. Lent,
Bob Whittaker,

From the Committee on Energy and Commerce for consideration of sec. 1772 of the Senate bill, and sec. 1376A of the House amendment, and modifications committed to conference:

John D. Dingell,
Thomas A. Luken,
Al Swift,
Norman F. Lent,
Tom Tauke,

From the Committee on Energy and Commerce, for consideration of sec. 1948 of the Senate bill, and modifications committed to conference:

John D. Dingell,
Thomas A. Luken,
Al Swift,
Norman F. Lent,
Bob Whittaker,

From the Committee on Energy and Commerce, for consideration of secs. 2033(3)(F), 2079, and 2081 of the Senate bill, and modifications committed to conference:

John D. Dingell,
Ed Markey,
Al Swift,
Norman F. Lent,
Tom Tauke,

From the Committee on Energy and Commerce, for consideration of section 1399 of the House amendment, and modifications committed to conference:

John D. Dingell,
Edolphus Towns,
Norman F. Lent,
Tom Bliley,

From the Committees on Agriculture, for consideration of those portions of sec. 1121 adding new secs. 101(5), 103(5), 113(c)(2), 114, 204(c)(2)(B), 404-05, 503(b)(3), 504, and 601(c) and (f) of the Agricultural Trade Act of 1978, of the Senate bill, and those portions of sec. 1221 adding new secs. 101(4), 105(a), 106, 203, and 402 (c) and (f) to the Agricultural Trade Act of 1978, of the House amendment, and modifications committed to conference:

Mike Espy,
Claude Harris,
Bill Sarpalius,
Bill Emerson,
R.F. Smith,

From the Committees on Education and Labor, for consideration of secs. 1496(b), 1498–1498N, 1965, 1966, 2471, 2474, 2476, and 2479 of the Senate bill, and secs. 1382, 1774, 1842(b) of the House amendment, and modifications committed to conference:

Augustus F. Hawkins,
William W. Ford,
Joseph M. Gaydos,
Bill Goodling,

Thomas J. Tauke,

From the Committee on Science, Space, and Technology, for consideration of secs. 1921–30, 1940, and 1944–46 of the Senate bill, and modifications committed to conference:

Robert A. Roe,
James H. Scheuer,
Tom McMillen,
Bob Walker,
Claudine Schneider,

From the Committee on Banking, Finance and Urban Affairs for consideration of sec. 1350 of the Senate bill, and modifications committed to conference:

Ben Erdreich,
Paul E. Kanjorski,
Thomas R. Carper,
Doug Bereuter,
Toby Roth,
Managers on the Part of the House.

Pat Leahy,
David Pryor,
D.L. Boren,
Richard G. Lugar,
Bob Dole,
Thad Cochran,
Managers on the Part of the Senate.

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